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U.S. DEPARTMENT OF AGRICULTURE

1994 BUDGET EXPLANATORY NOTES FOR COMMITTEE ON APPROPRIATIONS VOLUME 1

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OFFICE OF THE SECRETARY
DEPARTMENTAL ADMINISTRATION
OFFICE OF PUBLIC AFFAIRS
OFFICE OF BUDGET AND PROGRAM ANALYSIS
OFFICE OF THE INSPECTOR GENERAL
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ANIMAL AND PLANT HEALTH INSPECTION SERVICE
AGRICULTURAL MARKETING SERVICE
FUNDS FOR STRENGTHENING MARKETS, INCOME
AND SUPPLY (SECTION 32)
FEDERAL GRAIN INSPECTION SERVICE
AGRICULTURAL COOPERATIVE SERVICE
PACKERS AND STOCKYARDS ADMINISTRATION
FOOD SAFETY AND INSPECTION SERVICE

RURAL DEVELOPMENT ADMINISTRATION
RURAL ELECTRIFICATION ADMINISTRATION
FEDERAL CROP INSURANCE CORPORATION

PREFACE

Project Statements

The obligations shown in the Project Statements are based on the appropriations and activities proposed in the 1994 budget estimates. In some Project Statements the activities are further divided into subcategories, reflecting a more detailed description of the work conducted under the appropriation items.

In those accounts where prior year balances are also available for obligation during the year, such amounts are shown in a separate Project Statement.

The amounts shown in Project Statements for the past year are taken directly from the accounting records to the maximum extent possible. Where the Department has adjusted obligations after Treasury has closed the books for the year, we have shown our most current estimate. These adjustments will be picked up by Treasury in subsequent reports.

Statement of Available Funds and Staff-Years

A statement is included for each agency, immediately following the introductory purpose statement, to reflect all sources of funds available to the agency and to show the staff-years related to each source of funds.

These statements reflect the best available information at the time these Explanatory Notes were prepared (April 1993). However, it is not possible in many instances to determine in advance the extent to which agencies may be requested to perform additional services for other Federal and non-Federal agencies or organizations. Therefore, amounts of actual reimbursements and other funds received from sources other than appropriations directly to the agency may vary from those shown in the statements.

In those cases where the funds are not appropriated (reimbursements, trust funds, transfers, revolving funds, etc.), the dollar amounts shown represent actual or estimated Obligations for the year.

In some instances there may be duplication of amounts shown. This results largely from cases involving reimbursements between different agencies within the Department and where amounts are paid from appropriations to the Working Capital Fund. There is no duplication of the staff-years shown.

Classification by Objects

A statement is included for each agency showing total obligations by Object Classification for the agency. Obligations for personnel compensation are also broken between headquarters and field.

Loan Levels

Knowledge of the following basic budget terminology will assist the reader in understanding the budget proposals.

"Direct" loans involve the Federal government disbursing the money to the borrower and receiving the money back from the borrower in regular installments in future years. The Federal agency having responsibility for administering the credit program must counsel prospective borrowers on eligibility criteria and application procedures, evaluate applicant's eligibility and ability to repay, perform the administrative procedures to process the application, make and record the loan payment, receive and record the receipts for repayment, calculate the interest and remaining balance status, monitor the regularity of payments, follow up on delinquent status, and, where necessary, institute legal action to eliminate or minimize the loss to the Federal government in the event of the borrower's default on the loan.

For international trade "Credit Sales", the same basic process is involved except that the disbursement of the cash loan is replaced by the disbursement of cash to purchase and ship the commodities being exported to the foreign country involved.

Loan "Guarantees" involves the Federal government actually guaranteeing a private lending institution that a stipulated portion of a borrower's loan will be repaid. The Federal government does not disburse or receive funds involved in the loan and repayment between the lending institution and the borrower. If the borrower defaults on the loan, the Federal government would have to disburse to the lending institution the portion of the borrower's unpaid balance representing the amount of the Federal guarantee. The Federal agency having responsibility for administering the credit program must counsel prospective borrowers on eligibility criteria and application procedures, evaluate applicant's eligibility and ability to pay, counsel and assist the borrower in arranging the loan with the lending institution, perform administrative procedures necessary to record the loan guarantee transaction, maintain liaison with the lending institutions to keep informed of the status of loan repayments, follow up on seriously delinquent status, and, where necessary, institute legal action to eliminate or minimize the loss of the Federal government in the event of the borrower's default on the loan. The Rural Electrification Administration (REA), however, guarantees loans made by the Federal Financing Bank. Because REA is guaranteeing loans made by another Federal agency, the transaction more closely resembles a direct loan.

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OFFICE OF THE SECRETARY

Purpose Statement

The Secretary of Agriculture, assisted by the Deputy Secretary, Under Secretaries and Assistant Secretaries, and members of their immediate staffs, directs and coordinates the work of the Department. This involves providing policy direction for all areas of the Department's responsibilities including research; educational and regulatory activities; nutrition, conservation and farm programs; and forestry and international agriculture. It also involves maintaining relationships with organizations and others in the development of programs, and maintaining liaison with the Executive Office of the President and members of Congress on all matters pertaining to Departmental policy.

The Board of Contract Appeals is a reimbursable activity in the Office of the Secretary. It is the authorized representative of the Secretary of Agriculture to make final administrative determinations for the Department of Agriculture in appeals handled under the Secretary's regulations.

The general authority of the Secretary to supervise and control the work of the Department is contained in the Organic Act (7 U.S.C. 2201-2202). The delegation of regulatory functions to the Department employees and authorization of appropriations to carry out these functions are contained in 7 U.S.C. 450c-450g.

The Secretary's staffs financed from this appropriation are located in Washington, D. C. As of September 30, 1992, there were 90 employees. Of this total, 83 were full-time permanent employees and 7 were other than full-time permanent employees.

OFFICE OF THE SECRETARY

Available Funds and Staff-Years1992 Actual and Estimated, 1993 and 1994

Item	1992		1993		1994	
	Actual		Estimated		Estimated	
	Amount	Staff Years	Amount	Staff Years	Amount	Staff Years
Direct Appropriation...	\$8,716,000:	75 :	\$8,971,000:	86 :	\$9,145,000:	86
Obligations Under Other:						
<u>USDA /Appropriations:</u>						
Board of Contract						
Appeals.....	1,031,096:	10 :	1,243,000:	10 :	1,257,000:	10
Forest Service.....	43,244:	1 :	79,000:	1 :	85,000:	1
Foreign Agricultural						
Service.....	168,136:	-- :	138,000:	-- :	145,000:	--
Miscellaneous						
Reimbursements.....	15,555:	-- :	138,000:	-- :	145,000:	--
Total, Other USDA						
Appropriations.....	1,258,031:	11 :	1,598,000:	11 :	1,632,000:	11
Total, Agriculture						
Appropriations.....	9,974,031:	11 :	10,569,000:	11 :	10,777,000:	11
Other Federal Funds:						
Health & Human						
Services.....	40,000:	-- :	--	--	--	--
Total, Office of the						
Secretary.....	10,014,031:	86 :	10,569,000:	97 :	10,777,000:	97

OFFICE OF THE SECRETARY

Permanent Positions by Grade and Staff-Year Summary1992 and Estimated 1993 and 1994

Grade	1992 Headquarters	1993 Headquarters	1994 Headquarters
Executive Level I	1	1	1
Executive Level II	1	1	1
Executive Level III	2	2	2
Executive Level IV	7	7	7
ES-6.....	10	13	13
ES-5.....	1	2	2
ES-4.....	2	1	1
ES-3.....	2	4	4
ES-2.....	3	3	3
ES-1.....	1	1	1
CA-1.....	1	1	1
CA-2.....	1	1	1
CA-3.....	3	3	3
GS/GM-15.....	12	14	14
GS/GM-14.....	1	4	4
GS/GM-13.....	6	4	4
GS-12.....	4	6	6
GS-11.....	10	8	8
GS-10.....	7	7	7
GS-9.....	7	6	6
GS-8.....	4	4	4
GS-7.....	1	1	1
Ungraded Positions	3	3	3
Total Permanent Positions.....	90	97	97
Unfilled Positions end of year.....	-7	--	--
Total, Permanent Employment, end of year.....	83	97	97
Staff-Years: Ceiling.....	86	97	97

OFFICE OF THE SECRETARY

CLASSIFICATION BY OBJECTS1992 and Estimated 1993 and 1994

	<u>1992</u>	<u>1993</u>	<u>1994</u>
Personnel Compensation:			
Headquarters	<u>\$5,348,617</u>	<u>\$6,350,000</u>	<u>\$6,493,000</u>
11 Total personnel compensation	5,348,617	6,350,000	6,493,000
12 Personnel Benefits.....	1,020,424	1,288,000	1,317,000
13 Benefits for former personnel.....	<u>17,706</u>	<u>--</u>	<u>--</u>
Total pers. comp & benefit.....	<u>6,386,747</u>	<u>7,638,000</u>	<u>7,810,000</u>
Other Objects:			
21 Travel.....	253,609	268,000	268,000
22 Transportation of things....	1,461	3,000	3,000
23.3 Communications, utilities, and misc. charges.....	337,085	335,000	335,000
24 Printing.....	174,194	175,000	175,000
25 Other services.....	512,936	342,000	344,000
26 Supplies and materials.....	91,894	182,000	182,000
31 Equipment.....	<u>99,340</u>	<u>28,000</u>	<u>28,000</u>
Total other objects.....	<u>1,470,519</u>	<u>1,333,000</u>	<u>1,335,000</u>
Total direct obligations.....	<u>7,857,266</u>	<u>8,971,000</u>	<u>9,145,000</u>
<u>Position Data:</u>			
Average Salary, ES positions.....	\$105,671	\$109,471	\$110,018
Average Salary, GM/GS position...	\$54,996	\$54,499	\$55,043
Average Grade, GM/GS positions...	11.67	12.27	12.27

OFFICE OF THE SECRETARY

The estimate includes appropriation language for this item as follows: (new language underscored; deleted matter enclosed in brackets):

Office of the Secretary

For necessary expenses of the Office of the Secretary of Agriculture, and not to exceed [\$50,000] \$75,000 for employment under 5 U.S.C. 3109, \$2,282,000] \$9,145,000: Provided, That not to exceed [\$8,000] \$11,000 of this amount shall be available for official reception and representation expenses, not otherwise provided for, as determined by the Secretary: Provided further, That the Secretary may transfer salaries and expenses funds in this Act sufficient to finance a total of not to exceed 35 staff years between agencies of the Department of Agriculture to meet workload requirements.

[Office of the Deputy Secretary]

[For necessary expenses of the Office of the Deputy Secretary of Agriculture, including not to exceed \$25,000 for employment under 5 U.S.C. 3109, \$543,000: Provided, That not to exceed \$3,000 of this amount shall be available for official reception and representation expenses, not otherwise provided for, as determined by the Deputy Secretary.]

[Office of the Assistant Secretary for Administration]

[For necessary expenses of the Office of the Assistant Secretary for Administration to carry out the programs funded in this Act, \$596,000.]

[Office of the Assistant Secretary for Congressional Relations]

[For necessary expenses of the Office of the Assistant Secretary for Congressional Relations to carry out the programs funded in this Act, \$1,307,000.]

[Office of the Assistant Secretary for Economics]

[For necessary expenses of the Office of the Assistant Secretary for Economics to carry out the programs funded in this Act, \$580,000.]

[Office of the Assistant Secretary for Science and Education]

[For necessary salaries and expenses of the Office of the Assistant Secretary for Science and Education to administer the laws enacted by the Congress for the Agricultural Research Service, Cooperative State Research Service, Extension Service, and National Agricultural Library, \$560,000.]

[Office of the Assistant Secretary for Marketing and Inspection Services]

[For necessary salaries and expenses of the Office of the Assistant Secretary for Marketing and Inspection Services to administer programs under the laws enacted by the Congress for the Animal and Plant Health Inspection Service, Food Safety and Inspection Service, Federal Grain Inspection Service, Agricultural Cooperative Service, Agricultural Marketing Service, and Packers and Stockyards Administration, \$550,000.]

[Office of the Under Secretary for International Affairs and Commodity Programs]

[For necessary salaries and expenses of the Office of the Under Secretary for International Affairs and Commodity Programs to administer the laws enacted by Congress for the Agricultural Stabilization and Conservation Service, Office of International Cooperation and Development, Foreign Agricultural Service, and the Commodity Credit Corporation, \$551,000.]

[Office of the Assistant Secretary for Natural Resources and Environment]

[For necessary salaries and expenses of the Office of the Assistant Secretary for Natural Resources and Environment to administer the laws enacted by the Congress for the Forest Service and the Soil Conservation Service, \$563,000.]

[Office of the Under Secretary for Small Community and Rural Development]

[For necessary salaries and expenses of the Office of the Under Secretary for Small Community and Rural Development to administer programs under the laws enacted by the Congress for the Farmers Home Administration, Rural Development Administration, Rural Electrification Administration, and Federal Crop Insurance Corporation, \$572,000.]

[Office of the Assistant Secretary for Food and Consumer Services]

[For necessary salaries and expenses of the Office of the Assistant Secretary for Food and Consumer Services to administer the laws enacted by the Congress for the Food and Nutrition Service and the Human Nutrition Information Service, \$542,000.]

This change merges amounts appropriated to the Deputy Secretary and to Under and Assistant Secretaries with amounts appropriated to the Secretary of Agriculture for the operation of the offices within the Office of the Secretary to reestablish a single appropriation for that Office.

The fiscal year 1994 budget proposes to reestablish a single appropriation for these activities. The multiple accounts unduly restrict the discretion of the Secretary to organize the resources to carry out the Department's program in the most cost effective manner. The Secretary is charged with the responsibility and implementation of national agriculture policies enacted by the Congress. The Secretary has discussed his plan to reorganize the Department with the Congress. A single account will facilitate the implementation of a reorganization. The establishment of multiple appropriations limits his ability to establish priorities and shift resources necessary to meet the challenging conditions of America's agriculture.

OFFICE OF THE SECRETARY

Appropriations Act, 1993.....	\$ 8,646,000
Budget Estimate, 1994.....	<u>9,145,000</u>
Increase in Appropriation.....	<u>+499,000</u>

Adjustments in 1993

Appropriations Act, 1993.....	\$8,646,000	
Activities transferred from USDA		
Agencies a/.....	<u>+325,000</u>	
Adjusted base for 1993.....		8,971,000
Budget Estimate 1994.....		<u>9,145,000</u>
Increase over adjusted 1993.....		<u>+174,000</u>

a/ Pursuant to the authority given to the Secretary in the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 1993 (P. L. 102-341) to transfer staff years and funding within USDA to meet workload requirements, 2 staff years and \$195,000 were transferred to the Assistant Secretary for Administration and 1 staff year and \$130,000 to the Assistant Secretary for Marketing and Inspection Services.

SUMMARY OF INCREASES AND DECREASES
(on basis of adjusted appropriation)

<u>Item of Change</u>	<u>1993 Estimated</u>	<u>Pay Cost</u>	<u>Other Changes</u>	<u>1994 Estimated</u>
Immediate Office of the Secretary	\$2,282,000	+\$40,000	+\$2,000	\$2,324,000
Office of the Deputy Secretary...	543,000	+10,000	-0-	553,000
Assistant Secretary for Administration.....	791,000	+17,000	-0-	808,000
Assistant Secretary for Congressional Relations.....	1,307,000	+26,000	-0-	1,333,000
Assistant Secretary for Economics	580,000	+9,000	-0-	589,000
Assistant Secretary for Science and Education.....	560,000	+9,000	-0-	569,000
Assistant Secretary for Marketing and Inspection Services.....	680,000	+11,000	-0-	691,000
Under Secretary for International Affairs and Commodity Programs.	551,000	+12,000	-0-	563,000
Assistant Secretary for Natural Resources and Environment.....	563,000	+15,000	-0-	578,000
Under Secretary for Small Com- munity and Rural Development...	572,000	+11,000	-0-	583,000
Assistant Secretary for Food and Consumer Services.....	<u>542,000</u>	<u>+12,000</u>	<u>-0-</u>	<u>554,000</u>
Total Available.....	<u>8,971,000</u>	<u>+172,000</u>	<u>+2,000</u>	<u>9,145,000</u>

PROJECT STATEMENT
(on basis of adjusted appropriation)

Item of Change	1992		1993		Increase or Decrease	1994	
	Actual	Staff:	Estimated	Staff:		Estimated	Staff:
	Amount	Years	Amount	Years		Amount	Years
1. Secretary....	\$1,960,139:	17:	\$2,282,000:	22:	+\$42,000	\$2,324,000:	22
2. Deputy Secretary....	474,416:	4:	543,000:	5:	+10,000	553,000:	5
3. Under/Asst. Secretaries..							
ADM.....	572,086:	6:	791,000:	8:	+17,000	808,000:	8
CR.....	1,231,021:	15:	1,307,000:	15:	+26,000	1,333,000:	15
ECON.....	542,189:	5:	580,000:	5:	+9,000	589,000:	5
S/E.....	461,022:	4:	560,000:	5:	+9,000	569,000:	5
MIS.....	551,354:	5:	680,000:	6:	+11,000	691,000:	6
IACP.....	510,029:	4:	551,000:	5:	+12,000	563,000:	5
NRE.....	492,021:	5:	563,000:	5:	+15,000	578,000:	5
SCRD.....	542,655:	5:	572,000:	5:	+11,000	583,000:	5
FCS.....	520,334:	5:	542,000:	5:	+12,000	554,000:	5
Total available or estimated...	7,857,266:	75:	8,971,000:	86:	+174,000	9,145,000:	86
Unobligated balance.....	858,734:	--:	--:	--:	--	--:	--
Total available or estimate....	8,716,000:	75:	8,971,000:	86:	<u>+174,000(1)</u>	<u>9,145,000:</u>	<u>86</u>
Transfers:							
ADMIN.....	--:	--:	-195,000:	-2:			
MIS.....	-30,000:	-1:	-130,000:	-1:			
IACP.....	-30,000:	--:	--:	--:			
FCS.....	-10,000:	--:	--:	--:			
Total transfers from other.....							
USDA agencies..	-70,000:	-1:	-325,000:	-3:			
Total appropriations.....	<u>8,646,000:</u>	<u>74:</u>	<u>8,646,000:</u>	<u>83:</u>			

Explanation of Program

The Office of the Secretary, Deputy Secretary, Under Secretaries, Assistant Secretaries, and their immediate staff, provide policy and guidance for the Department and maintain relationships with agricultural organizations and others in the development of farm programs.

The Office of the Secretary also oversees special projects that are conducted at the behest of the Congress. These projects include short-term studies, investigations, and research on matters affecting agriculture or the agricultural community. Usually, specific appropriations are provided to carry out these projects. Projects results are reported to the appropriate Congressional committees.

JUSTIFICATION OF INCREASES AND DECREASES

(1) A net increase of \$174,000 consisting of:

- (a) An increase of \$36,000, which reflects a 2.7 percent increase in non-salary costs.

- (b) An increase of \$172,000, which reflects the annualization of the fiscal year 1993 pay raise.
- (c) A decrease of \$32,000 for administrative efficiency.

Need for Change. To promote the efficient use of resources for administrative purposes, in keeping with the President's Executive Order, total USDA baseline outlays for these activities will be reduced by 3 percent in FY 1994, 6 percent in FY 1995, 9 percent in FY 1996 and 14 in FY 1997.

Nature of Change. In order to achieve this savings, OSEC will reduce discretionary expenses such as--travel, training, printing and reproduction costs and telephone usage.

- (d) A decrease of \$2,000 for FTS funding.

This decrease reflects lower long distance telecommunications prices due to price redeterminations in the FTS 2000 contracts.

GEOGRAPHIC BREAKDOWN OF OBLIGATIONS AND STAFF YEARS
1992, and estimated 1993 and 1994

	<u>1992</u>		<u>1993</u>		<u>1994</u>	
	<u>Amount</u>	<u>Staff Years</u>	<u>Amount</u>	<u>Staff Years</u>	<u>Amount</u>	<u>Staff Years</u>
Washington, D.C.	\$7,857,266	75	\$8,971,000	86	\$9,145,000	86
Unobligated balance	858,734	--	--	--	--	--
Total, Available or Estimate.....	<u>8,716,000</u>	<u>75</u>	<u>8,971,000</u>	<u>86</u>	<u>9,145,000</u>	<u>86</u>

DEPARTMENTAL ADMINISTRATION

Purpose Statement

Departmental Administration is comprised of the Staff Offices that report to the Assistant Secretary for Administration. These Offices provide staff support to the top policy officials of the Department and overall direction and coordination to the work of the Department. The Assistant Secretary for Administration has the responsibility for administering the following programs under authority contained in 7 U.S.C. 2202:

Departmental Administration. This appropriation funds the policy development and administrative operational activities associated with Departmentwide programs for human resource management, financial management, management improvement, occupational safety and health management, real and personal property management, procurement, contracting, motor vehicle and aircraft management, supply management, ADP and telecommunications management, civil rights, equal opportunity, special emphasis, small and disadvantaged business opportunities, emergency preparedness, and the regulatory hearings and administrative proceedings conducted by the Administrative Law Judges and the Judicial Officer.

Rental Payments and Building Operations and Maintenance. This account finances the appropriated portion of payments to the General Services Administration (GSA) for rental of leased space and related services. Funding is not provided for payments to GSA made by the Forest Service, since the Forest Service is funded in the Interior and Related Agencies Appropriations Act.

This account also finances operations, repair, improvement, and maintenance activities at the USDA Headquarters Complex. Since 1989 when the GSA delegation expired, USDA has been responsible for managing, operating, maintaining, repairing, and improving the Headquarters Complex, which encompasses 14.1 acres of ground and 4 buildings containing approximately 3 million square feet of space occupied by approximately 8,000 employees.

Not all administrative Staff Office activities are financed from direct appropriations. The Staff Offices also provide central services that are financed under the Department's Working Capital Fund (7 U.S.C. 2235). A detailed description of these activities is provided under the Purpose Statement of the Working Capital Fund.

Reimbursable Activities. Under the Economy Act, 31 U.S.C. 686, the Staff Offices also are reimbursed for services provided to USDA and non-USDA agencies. The following activities are financed through other reimbursements: travel and printing for the Administrative Law Judges, miscellaneous personnel details, selected short-term activities, as well as administrative, operational support to Working Capital Fund activities.

Geographic Location. The majority of the Staff Offices are located in Washington, D.C. Central services financed through the Working Capital Fund are provided by the National Finance Center located in New Orleans, Louisiana and by the Department's computer centers located in Kansas City, Missouri and Fort Collins, Colorado, and by other administrative service units located in the Washington Metropolitan area.

As of September 30, 1992, there were 2,341 employees, of which 2,221 were full-time and 120 were other than full-time permanent employees in the Staff Offices included under Departmental Administration. These employees were assigned as follows:

<u>Location</u>	<u>Full-time permanent</u>	<u>Other</u>	<u>Total</u>
Washington, D.C.	618	72	690
Field units	<u>1,603</u>	<u>48</u>	<u>1,651</u>
Total	2,221	120	2,341

DEPARTMENTAL ADMINISTRATION

Available Funds and Staff-Years1992 Actual and Estimated, 1993 and 1994

Item	1992 Actual Amount	Staff: Years	1993 Estimated Amount	Staff: Years	1994 Estimated Amount	Staff: Years
Direct Appropriations:	:	:	:	:	:	:
Departmental	:	:	:	:	:	:
Administration.....	\$25,385,000:	366:	\$25,798,000:	410:	\$27,298,000:	405
GSA Rental Payments...	50,679,002:	--:	50,503,000:	--:	50,503,000:	--
Building Ops. & Main..	25,700,000:	87:	25,700,000:	87:	25,581,000:	86
Total, Direct.....	101,764,002:	453:	102,001,000:	497:	103,382,000:	491
Reimbursements to	:	:	:	:	:	:
Appropriations:	:	:	:	:	:	:
Deptl. Administration:	:	:	:	:	:	:
<u>USDA Agencies:</u>	:	:	:	:	:	:
Field Office System...	--:	--:	1,500,000:	--:	1,500,000:	--
FmHA ADP/IRM.....	50,909:	--:	100,000:	--:	150,000:	--
Office of Admin. Law	:	:	:	:	:	:
Judges.....	39,714:	--:	49,000:	--:	52,000:	--
SES Training.....	245,000:	--:	--:	--:	--:	--
Target Center.....	418,724:	2:	400,000:	4:	368,000:	4
Management Support	:	:	:	:	:	:
Services provided to	:	:	:	:	:	:
WCF Activities.....	4,579,264:	73:	4,748,219:	71:	4,967,000:	71
Subtotal USDA agencies:	5,333,611:	75:	6,797,219:	75:	7,037,000:	75
<u>Other Federal Agencies:</u>	:	:	:	:	:	:
Farm Credit Assistance:	42,000:	--:	--:	--:	--:	--
Mine Safety Board.....	48,900:	--:	51,000:	--:	52,000:	--
Court Vet. Appeals....	45,000:	--:	68,000:	:	69,000:	--
Subtotal Other Fedl...	135,900:	--:	119,000:	--:	121,000:	--
Total Deptl. Admin.....	5,469,511:	75:	6,916,219:	75:	7,158,000:	75
Building Ops. & Maint.	:	:	:	:	:	:
Security Services.....	1,572,504:	--:	2,350,000:	--:	2,500,000:	--
Other Bldg. Services...	1,075,891:	--:	1,000,000:	--:	1,000,000:	--
Subtotal, BOM.....	2,648,395:	--:	3,350,000:	--:	3,500,000:	--
Total, Reimbursements...	8,117,906:	75:	10,266,219:	75:	10,658,000:	75
Working Capital Fund	:	:	:	:	:	:
Supply and Other	:	:	:	:	:	:
Central Services.....	18,010,000:	195:	19,527,000:	206:	19,856,000:	203
OFM Finance Center....	93,904,000:	1,449:	108,811,000:	1,532:	116,376,000:	1,515
ADP Services.....	36,988,000:	203:	41,215,000:	218:	43,998,000:	216
Purchase of Equipment.	11,712,000:	--:	18,927,000:	--:	19,604,000:	--
Subtotal, Working	:	:	:	:	:	:
Capital Fund.....	160,614,000:	1,847:	188,480,000:	1,956:	199,834,000:	1,934
Grand Total, Deptl	:	:	:	:	:	:
Administration.....	270,495,906:	2,375:	300,165,219:	2,528:	313,257,000:	2,500

DEPARTMENTAL ADMINISTRATIONPermanent Positions by Grade and Staff-Year Summary1992 and Estimated 1993 and 1994

Grade	1992			1993			1994		
	HDQTRS	FIELD	TOTAL	HDQTRS	FIELD	TOTAL	HDQTRS	FIELD	TOTAL
ES-6.....	3	--	3	3	--	3	3	--	3
ES-5.....	4	2	6	4	2	6	4	2	6
ES-4.....	1	--	1	1	--	1	1	--	1
ES-2.....	--	1	1	1	1	2	1	1	2
ES-1.....	3	5	8	2	5	7	2	5	7
AL-3.....	4	--	4	5	--	5	5	--	5
AL-2.....	1	--	1	1	--	1	1	--	1
SL-2.....	--	--	--	1	--	1	1	--	1
SL-1.....	1	--	1	1	--	1	1	--	1
GS/GM-15...	34	14	48	38	15	53	38	15	53
GS/GM-14...	102	56	158	115	55	170	115	55	170
GS/GM-13...	142	106	248	165	116	281	159	116	275
GS-12.....	59	222	281	73	253	326	71	253	324
GS-11.....	42	216	258	37	231	268	37	231	268
GS-10.....	2	11	13	3	12	15	3	12	15
GS-9.....	34	113	147	39	127	166	39	127	166
GS-8.....	12	37	49	16	37	53	16	37	53
GS-7.....	62	160	222	71	173	244	71	173	244
GS-6.....	33	170	203	37	172	209	37	172	209
GS-5.....	27	273	300	34	292	326	34	275	309
GS-4.....	38	103	141	49	103	152	46	103	149
GS-3.....	13	87	100	18	87	105	18	87	105
GS-2.....	3	3	6	2	3	5	2	3	5
Other									
Graded									
Positions	85	--	85	92	--	92	92	--	92
Ungraded									
Positions..	12	24	36	12	24	36	12	24	36
Total,									
Permanent									
Positions	717	1,603	2,320	820	1,708	2,528	809	1,691	2,500
Unfilled									
Positions..									
end-of-year	--	--	--	--	--	--	--	--	--
Total Perm.									
Employment,									
end-of-year	717	1,603	2,320	820	1,708	2,528	809	1,691	2,500
Staff-Year									
Ceiling...	765	1,610	2,375	820	1,708	2,528	809	1,691	2,500

DEPARTMENTAL ADMINISTRATION

CLASSIFICATION BY OBJECTS1992 and Estimated 1993 and 1994

	<u>1992</u>	<u>1993</u>	<u>1994</u>
Personnel Compensation:			
Headquarters	\$17,392,344	\$20,202,000	\$20,640,000
11 Total personnel compensation	17,392,344	20,202,000	20,640,000
12 Personnel Benefits.....	2,588,920	3,005,000	3,078,000
13 Benefits for former personnel.....	<u>14,885</u>	<u>6,000</u>	<u>6,000</u>
Total pers. comp. & benefits..	19,996,149	23,213,000	23,724,000
Other Objects:			
21 Travel.....	273,446	142,000	142,000
22 Transportation of things....	6,361	12,000	12,000
23.2 Rental payments to others...	9,900	25,000	25,000
23.3 Communications, utilities, and misc. charges.....	999,095	698,000	689,000
24 Printing.....	278,266	159,000	159,000
25 Other services.....	2,383,030	1,151,000	2,150,000
26 Supplies and materials.....	456,505	191,000	191,000
31 Equipment.....	802,248	175,000	174,000
41 Grants, Subsidies and Contributions.....	<u>--</u>	<u>32,000</u>	<u>32,000</u>
Total other objects.....	<u>5,208,851</u>	<u>2,585,000</u>	<u>3,574,000</u>
Total direct obligations.....	<u>25,205,000</u>	<u>25,798,000</u>	<u>27,298,000</u>
<u>Position Data:</u>			
Average Salary, ES positions.....	\$105,137	\$108,526	\$108,526
Average Salary, GM/GS position...	\$41,339	\$51,709	\$52,852
Average Grade, GM/GS positions...	12.3	13.3	13.4

DEPARTMENTAL ADMINISTRATION

The estimates include appropriation language for this item as follows (new language underscored; deleted matter enclosed in brackets):

Departmental Administration

For Personnel, Finance and Management, Operations, Information Resources Management, Advocacy and Enterprise, Administrative Law Judges and Judicial Officer, and Emergency Programs, [25,014,000] 27,298,000 for Departmental Administration to provide for necessary expenses for management support services to offices of the Department of Agriculture and for general administration and emergency preparedness of the Department of Agriculture, repairs and alterations, and other miscellaneous supplies and expenses not otherwise provided for and necessary for the practical and efficient work of the Department of Agriculture, including employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), of which not to exceed \$10,000 is for employment under 5 U.S.C. 3109: Provided, That this appropriation shall be reimbursed from applicable appropriations in this Act for travel expenses incident to the holding of hearings as required by 5 U.S.C. 551-558.

This change proposes to include Emergency Programs as a separate budget activity to reflect the priority placed on emergency preparedness. This activity is the focal point of contact with the Federal Emergency Management Agency, all other Federal departments and agencies having emergency program responsibilities, and international agencies that deal with food and agriculture on an emergency basis. It provides oversight, coordination, and guidance to USDA agencies in their emergency planning, training, and activities.

DEPARTMENTAL ADMINISTRATION

Appropriations Act, 1993.....	\$25,014,000
Budget Estimate, 1994.....	<u>27,298,000</u>
Increase in Appropriation.....	<u>+2,284,000</u>

Adjustments in 1993:

Appropriations Act, 1993.....	\$25,014,000	
Transfers from USDA agencies 1/.....	<u>+784,000</u>	
Adjusted Appropriations Act.....		25,798,000
Budget Estimate, 1994.....		<u>27,298,000</u>
Increase over adjusted 1993.....		<u>+1,500,000</u>

1/ Includes \$700,000 and 10 staff years for the Agency Liaison Officer (ALO) Project to provide oversight and guidance to agencies' IRM activities and \$84,000 and 1 staff year for the Equipment Management Information System (EMIS) upgrade transferred under authority provided by P.L. 102-341.

SUMMARY OF INCREASES AND DECREASES
(on basis of adjusted appropriation)

<u>Item of Change</u>	<u>1993 Estimated</u>	<u>Pay Cost</u>	<u>Other Changes</u>	<u>1994 Estimated</u>
Personnel.....	\$6,704,000	+\$132,000	-\$3,000	\$6,833,000
Finance and Management.....	4,371,000	+95,000	+616,000	5,082,000
Operations.....	3,173,000	+67,000	-1,000	3,239,000
Information Resources Management..	6,048,000	+102,000	+377,000	6,527,000
Advocacy and Enterprise.....	3,699,000	+78,000	-1,000	3,776,000
Administrative Law Judges and Judicial Officer.....	1,578,000	+33,000	--	1,611,000
Emergency Programs.....	<u>225,000</u>	<u>+5,000</u>	<u>--</u>	<u>230,000</u>
Total Available.....	<u>25,798,000</u>	<u>+512,000</u>	<u>+988,000</u>	<u>27,298,000</u>

PROJECT STATEMENT
(on basis of adjusted appropriation)

Item of Change	1992		1993		Increase or Decrease	1994	
	Actual		Estimated			Estimated	
	Amount	Staff: Years	Amount	Staff: Years		Amount	Staff: Years
Personnel.....	\$6,785,744:	112:	\$6,704,000:	119:	+\$129,000(1):	\$6,833,000:	114
Finance and							
Management....	4,343,700:	62:	4,371,000:	69:	+711,000(2):	5,082,000:	76
Operations.....	3,111,468:	53:	3,173,000:	59:	+66,000(3):	3,239,000:	55
Information							
Resources							
Management....	5,671,850:	64:	6,048,000:	74:	+479,000(4):	6,527,000:	76
Advocacy and							
Enterprise....	3,665,130:	51:	3,699,000:	62:	+77,000(5):	3,776,000:	59
Administrative							
Law Judges &							
Judicial							
Officer.....	1,401,936:	20:	1,578,000:	23:	+33,000(6):	1,611,000:	21
Emergency							
Programs	225,172:	4:	225,000:	4:	+5,000(7):	230,000:	4
Subtotal.....	25,205,000:	366:	25,798,000:	410:	+1,500,000	27,298,000:	405
Unobligated							
balance.....	+180,000:		--:	--:	--:	--:	--
Total available:							
or estimate....	25,385,000:	366:	25,798,000:	410:	<u>+1,500,000</u>	<u>27,298,000:</u>	<u>405</u>
Transfers:							
ALO Project....	-300,000:	-5:	-700,000:	-10:			
EMIS Project....	-21,000:	-1:	-84,000:	-1:			
Total, Appropri-							
ation.....	25,064,000:	360:	25,014,000:	399:			

EXPLANATION OF PROGRAM

This appropriation provides for the following activities:

Personnel - This activity provides leadership, coordination and monitoring of the personnel management program in the Department and promulgates Departmental policies and procedures relating to all personnel functions. The Office of Personnel provides liaison with the Office of Personnel Management and sponsors innovations and change in personnel management. Operational services are provided to the Office of the Secretary, Office of the Inspector General, Office of the General Counsel, Office of Public Affairs, Office of Budget and Program Analysis, and the Departmental Administrative Staff Offices. Direction is provided to the Department's integrated payroll/personnel system that is utilized by a cross-section of Federal agencies. Equal Employment Opportunity under Title 7 of the Civil Rights Act of 1964 is provided to all USDA agencies.

Finance and Management - This activity provides Departmental leadership in developing and evaluating programs in finance, accounting, management control, Federal assistance, management and productivity improvement, metrication, audit follow-up and final action and occupational safety and health. The Director serves as the Department's management improvement officer and comptroller of the Working Capital Fund. OFM provides key staff support to the Department's Chief Financial Officer in implementing the CFO Act of 1990. Finance and Management also provides budget, accounting and fiscal operational services to the Office of the Secretary, the Departmental Administrative Staff Offices, Office of Public Affairs, and the Office of Budget and Program Analysis.

Operations - This activity provides USDA agencies leadership, oversight and policy development in the areas of real and personal property, procurement, contracts, supplies, motor vehicles and supply. Under an agreement with GSA, it operates and provides maintenance security and services to the Washington, D.C. building complex. The Office of Operations also provides procurement, contract, leasing, and other administrative services to the Office of the Secretary, Office of the General Counsel, Office of Public Affairs, the Office of Budget and Program Analysis, and the Departmental Staff Offices.

Information Resources Management - This activity develops, and disseminates Departmental standards, guidelines, rules, and regulations to implement approved Information Resources Management (IRM) principles, policies, and programs that improve the operational effectiveness of USDA's programs. It provides for Departmental long range IRM planning, guides the IRM planning of USDA agencies, monitors and oversees major agency and Departmental IRM programs. The Director serves as Departmental clearance officer for information collection. This activity provides telecommunications and ADP services to USDA agencies and staff offices through the National Computer Centers in Fort Collins, Colorado and Kansas City, Missouri. This activity also provides operational ADP services to the Office of the Secretary, Office of the General Counsel, Office of Public Affairs, the Office of Budget and Program Analysis, and the Departmental Administrative Staff Offices.

Advocacy and Enterprise - This activity provides overall policy and program guidance, leadership, coordination and direction for the Department's civil rights and equal opportunity programs; plans and coordinates the participation of women, minorities, and disabled persons, in Departmental programs; oversees direction and implementation of Sections 8 and 15 of the Small Business Act and oversees procurement to assure maximum participation of small and disadvantaged businesses; directs Departmental efforts to further the participation of minority colleges and universities in USDA programs; and directs and monitors USDA agencies compliance in promoting full and open competition in the Department's contracting process.

Administrative Law Judges/Judicial Officer - The Administrative Law Judges hold hearings in connection with prescribing new regulations and orders and on disciplinary complaints filed by the Department or on some petitions filed by private parties asking relief from actions of the Department. The Judicial Officer renders final administrative decisions in regulatory proceedings.

Emergency Programs This activity is the focal point of contact with the Federal Emergency Management Agency and all other Federal departments and agencies having emergency program responsibilities, and provides oversight, coordination, and guidance to USDA agencies in their emergency planning, training, and activities.

JUSTIFICATION OF INCREASES AND DECREASES

(1) A net increase of \$129,000 for the Office of Personnel consists of:

- (a) An increase of \$19,000, which reflects a 2.7 percent increase in non-salary costs.
- (b) An increase of \$132,000, which reflects the annualization of the fiscal year 1993 pay raise.
- (c) A decrease of \$20,000, for administrative efficiency.

Need for change. To promote the efficient use of resources for administrative purposes, in keeping with the President's Executive Order, total USDA baseline outlays for these activities will be reduced by 3 percent in 1994, 6 percent in FY 1995, 9 percent in FY 1996, and 14 percent in FY 1997.

Nature of Change. In order to achieve this savings, OP will reduce discretionary expenses such as--travel, training, supply purchases, printing, and reproduction costs, and telephone usage.

- (d) A decrease of \$2,000 for FTS 2000 funding.

This decrease reflects lower long distance telecommunications prices due to price redeterminations in the FTS 2000 contracts.

(2) A net increase of \$711,000 for the Office of Finance and Management consists of:

- (a) An increase of 2,000, which reflects a 2.7 percent increase in non-salary costs.
- (b) An increase of \$95,000, which reflects the annualization of the fiscal year 1993 pay raise.
- (c) A decrease of \$2,000 for administrative efficiency.

Need for change. To promote the efficient use of resources for administrative purposes, in keeping with the President's Executive Order, total USDA baseline outlays for these activities will be reduced by 3 percent in 1994, 6 percent in FY 1995, 9 percent in FY 1996, and 14 percent in FY 1997.

Nature of Change. In order to achieve this savings, OFM will reduce discretionary expenses such as--travel, training, supply purchases, printing, and reproduction costs, and telephone usage.

- (d) An increase of \$616,000 and 7 staff years to strengthen Department-wide financial management and improve USDA financial systems.

Need for Change. Financial systems at USDA need large-scale remedial action to address GAO audit findings and concerns that placed this area in OMB's "high-risk" category. The Chief Financial Officers' Act (P.L. 101-976) places additional requirements on USDA to provide leadership and oversight of Departmental and agency fiscal operations.

Financial management programs at USDA involve huge sums of public funds entrusted to the Department. For example, USDA manages assets of over \$146 billion, collects \$20 billion and disburses \$60 billion in a variety of programs. USDA manages a debt portfolio that constitutes over 40% of all debts owed to the Federal government.

USDA operates six different Nationwide financial management and program systems, numerous subsystems, as well as the systems at the National Finance Center in New Orleans. Each requires corrective actions and strengthened central oversight and coordination. In order to meet OMB requirements for financial systems plans for executive departments, additional resources are needed to closely analyze, monitor and improve accounting, financial information, and performance data of USDA agencies. The CFO Act mandates greater emphasis on the modernization and consolidation of financial systems, elimination of duplicative and unnecessary subsystems, and establishment of projects to bring systems into compliance with Federal standards. The added resources requested will enable OFM to begin work on revitalization of USDA financial management systems.

The CFO Act also requires executive departments to develop and submit Consolidated Financial Statements for audit. The recent findings of our Inspector General's audit revealed systemic problems. More resources are urgently needed to satisfy the legislative mandate.

Nature of Change. Funding requested will pay salaries and benefits for 7 positions and their related operating costs that will allow OFM to begin to address and remedy existing systemic financial management problems within USDA, correct deficiencies in preparation of financial statements for audit, and meet existing legislative and regulatory requirements under the CFO Act. Work will be concentrated in areas such as providing USDA agencies policy guidance and technical assistance in financial management planning, and supporting the CFO and Deputy CFO in their oversight and guidance of USDA's financial management systems and programs.

- (3) A net increase of \$66,000 for the Office of Operations consists of:

- (a) An increase of \$4,000, which reflects a 2.7 percent increase in non-salary costs.
- (b) An increase of \$67,000, which reflects the annualization of the fiscal year 1993 pay raise.
- (c) A decrease of \$4,000 for administrative efficiency.

Need for change. To promote the efficient use of resources for administrative purposes, in keeping with the President's Executive Order, total USDA baseline outlays for these activities will be reduced by 3 percent in 1994, 6 percent in FY 1995, 9 percent in FY 1996, and 14 percent in FY 1997.

Nature of Change. In order to achieve this savings, OO will reduce discretionary expenses such as--travel, training, supply purchases, printing, and reproduction costs, and telephone usage.

- (d) A decrease of \$1,000 for FTS 2000 funding.

This decrease reflects lower long distance telecommunications prices due to price redeterminations in the FTS 2000 contracts.

- (4) A net increase of \$479,000 and 2 staff years for the Office of Information Resources Management consists of:

- (a) An increase of \$38,000, which reflects a 2.7 percent increase in non-salary costs.
- (b) An increase of \$102,000, which reflects the annualization of the fiscal year 1993 pay raise.
- (c) A decrease of \$40,000 for administrative efficiency.

Need for change. To promote the efficient use of resources for administrative purposes, in keeping with the President's Executive Order, total USDA baseline outlays for these activities will be reduced by 3 percent in 1994, 6 percent in FY 1995, 9 percent in FY 1996, and 14 percent in FY 1997.

Nature of Change. In order to achieve this savings, OIRM will reduce discretionary expenses such as--travel, training, supply purchases, printing, and reproduction costs, and telephone usage.

- (d) A decrease of \$5,000 for FTS 2000 funding.

This decrease reflects lower long distance telecommunications prices due to price redeterminations in the FTS 2000 contracts.

- (e) An increase of \$384,000 and 2 staff years to provide oversight and guidance to the planning, acquisition and development efforts that promote information sharing among USDA computer systems.

Need for Change. Additional resources are needed for the development of information sharing systems within the Department. One such effort now underway which needs expanding in fiscal year 1994 is Info Share. Info Share will revolutionize service delivery to USDA's farm service clients by combining the elements of office automation tools, a shared corporate data base, a Geographic Information System (GIS), telecommunications, interoperability and connectivity, and remote management and maintenance to form the basis for IIRM strategic systems that serve the public through USDA field offices of the proposed Farm Service Agency. An integrated information management environment is needed to serve both the constituent communities and provide vital information to Departmental and agency leadership.

A centralized, cooperative approach would result in lower operating costs due to:

- Reduced Design and Acquisition Costs. With OIRM providing leadership in the standardized design and acquisition functions for related agency systems, duplication of effort will be avoided. Additionally, agencies would be able to devote prime efforts to improving program service delivery.

- Combined Network Design and Implementation. By designing and implementing integrated systems instead of separate and incompatible agency networks as was previously planned, the many benefits of system interoperability can be realized at a lower cost.
- Reduced System Operation Costs. By centrally managing installation and implementation there will be less travel, more efficient installation scheduling and better coordination of resources. Managing the system after installation will require fewer resources. A consolidated, Nation-wide help desk will offer better service, reduce some training costs, and increase service coverage. Communications costs will be lower due to rates available for higher volumes over fewer lines.

Integrated network systems, such as Info Share, demonstrate that strong centralization of resources, improved exploitation of systems integration technologies, and thorough life cycle engineering are the means to improve service to clients, enhance management oversight and reduce costs.

Nature of Change. The additional resources will be used to pay salaries and benefits and operating costs for two staff years and for contract services to provide critical expertise to guide USDA integrated systems development to improve interagency information management, implement key requirements of the Farm Bill by easing the paper burden faced by farmers, and result in savings by eliminating current system incompatibilities and redundancies.

(5) A net increase of \$77,000 for the Office of Advocacy and Enterprise consists of:

- (a) An increase of \$5,000, which reflects a 2.7 percent increase in non-salary costs.
- (b) An increase of \$78,000, which reflects the annualization of the fiscal year 1993 pay raise.
- (c) A decrease of \$5,000 for administrative efficiency.

Need for change. To promote the efficient use of resources for administrative purposes, in keeping with the President's Executive Order, total USDA baseline outlays for these activities will be reduced by 3 percent in 1994, 6 percent in FY 1995, 9 percent in FY 1996, and 14 percent in FY 1997.

Nature of Change. In order to achieve this savings, OAE will reduce discretionary expenses such as--travel, training, supply purchases, printing, and reproduction costs, and telephone usage.

- (d) A decrease of \$1,000 for FTS 2000 funding.

This decrease reflects lower long distance telecommunications prices due to price redeterminations in the FTS 2000 contracts.

(6) A net increase of \$33,000 for the Administrative Law Judges/Judicial Officer consists of:

- (a) An increase of \$2,000, which reflects a 2.7 percent increase in non-salary costs.
- (b) An increase of \$33,000, which reflects the annualization of the fiscal year 1993 pay raise.
- (c) A decrease of \$2,000 for administrative efficiency.

Need for change. To promote the efficient use of resources for Administrative purposes, in keeping with the President's Executive Order, total USDA baseline outlays for these activities will be reduced by 3 percent in 1994, 6 percent in FY 1995, 9 percent in FY 1996, and 14 percent in FY 1997.

Nature of Change. In order to achieve this savings, OALJ will reduce discretionary expenses such as--travel, training, supply purchases, printing, and reproduction costs, and telephone usage.

(7) An increase of \$5,000 for the Director of Emergency Programs, which reflects the annualization of the fiscal year 1993 pay raise.

GEOGRAPHIC BREAKDOWN OF OBLIGATIONS AND STAFF YEARS
1992 and Estimated 1993 and 1994

	<u>1992</u>		<u>1993</u>		<u>1994</u>	
	<u>Amount</u>	<u>Staff- Years</u>	<u>Amount</u>	<u>Staff- Years</u>	<u>Amount</u>	<u>Staff- Years</u>
Washington, D.C.	\$25,205,000	366	\$25,798,000	410	\$27,298,000	405
Unobligated balance	180,000	--	--	--	--	--
Total, Available or Estimate	<u>25,385,000</u>	<u>366</u>	<u>25,798,000</u>	<u>410</u>	<u>27,298,000</u>	<u>405</u>

WORKING CAPITAL FUND

Purpose Statement

The USDA Working Capital Fund (WCF) was established in legislation appropriating funds to the Department for FY 1944 and by 7 U.S.C. 2235. It is used to finance services provided to USDA and non-USDA agencies on a centralized basis. The costs of providing services to all WCF clients are recovered on the basis of the level of service each client receives. Services to non-USDA agencies reduce the share of fixed costs for WCF-supported services as the number of agencies sharing those costs expands.

Centrally managed operations provide efficient, economical services through economies of scale, extensive management attention, and high-level, regular fund control reviews. Users benefit from cost avoidances for administrative and support services. The Director, Office of Finance and Management (OFM), serves as WCF Comptroller, serving to monitor and supervise fund management activities. Five USDA agencies: OFM, the Office of Operations (OO), the Office of Public Affairs (OPA), the Office of Information Resources Management (OIRM), and the Office of the Executive Secretariat (OES) manage activities supported by the Fund. All are under the direct supervision of the Assistant Secretary for Administration except for OPA and OES activities. OPA activities are supervised by the Director, Office of Public Affairs, and OES activities are managed as a distinct activity under the Office of the Secretary.

OFM manages the National Finance Center (NFC), which provides financial and administrative management services to USDA agencies and more than 30 non-USDA entities.

OPA manages 2 WCF activities -- Video and Teleconferencing Services (V/T), and Design Center. V/T provides video production services to USDA agencies, and studio and production facilities for teleconferences in which USDA agencies participate. Design Center provides USDA agencies with exhibit design and visitor center support services.

OIRM manages 6 activity centers. Under the National Computer Center (NCC) umbrella organization there are three activity centers: NCC/Mainframe (NCC/MF), located in Kansas City, Missouri; NCC/Network Management Services (NCC/NMS), located in Fort Collins, Colorado; and NCC/Applications Design (NCC/AD), also in Fort Collins. These activities provide mainframe computing services, ADP training, and other ADP services; telecommunications services on behalf of USDA agencies; and systems and software development services to USDA agencies and non-USDA users. The Computer Services Unit provides ADP services to the Office of the Secretary and Departmental staff offices. The Telephone Services Operation is responsible for equipment and telephone system maintenance, as well as voice mail services. Local Area Network operates and maintains the local area network system serving the Headquarters buildings complex.

OO provides personal property management, mail and reproduction management, and executive support services through 10 activity centers. Central Supply-Stores and Central Supply-Forms provide centralized supply and forms management, as well as warehousing and inventory services. Central Excess Property Operation provides Departmental agencies with excess and surplus property disposition services in addition to furniture rehabilitation services. Central Mail Unit, Copier Service, Duplicating Unit, and Departmental Mailing List Service furnish USDA agencies with door-to-door mail pick up and delivery services, walk up and short order copier services, special order duplicating services, and updating and maintenance of the various Departmental mailing lists. Central Imprest Fund, Central Shipping and Receiving, and Agriculture Contract Automation System, offer a variety of executive support services to USDA agencies. Among these include cash disbursement for small purchases and travel, receipt and shipment of parcels, and maintenance of a procurement language software system.

The Office of the Executive Secretariat (OES) serves to improve correspondence management, tracking, and recordkeeping for the Department.

WORKING CAPITAL FUND

CLASSIFICATION BY OBJECTS1992 and Estimated 1993 and 1994

	<u>1992</u>	<u>1993</u>	<u>1994</u>
Personnel Compensation:			
Headquarters	\$6,317,000	\$6,786,000	\$7,265,000
Field	<u>58,048,000</u>	<u>64,429,000</u>	<u>68,688,000</u>
11 Total personnel compensation	64,365,000	71,215,000	75,953,000
12 Personnel benefits	10,541,000	11,955,000	12,878,000
13 Benefits for former personnel	<u>122,000</u>	<u>130,000</u>	<u>135,000</u>
Total pers. comp. & benefits	<u>75,028,000</u>	<u>83,300,000</u>	<u>88,966,000</u>
Other Objects:			
21 Travel	1,276,000	1,468,000	1,504,000
22 Transportation of things	950,000	788,000	813,000
23.1 Building rental	4,065,000	5,654,000	5,726,000
23.2 Communications, utilities, and misc. charges	21,275,000	26,130,000	29,599,000
24 Printing and reproduction	1,277,000	1,237,000	1,278,000
25 Other services	40,723,000	46,715,000	47,520,000
26 Supplies and materials	6,630,000	7,284,000	8,006,000
31 Equipment	13,867,000	20,514,000	21,108,000
43 Interest	<u>4,000</u>	<u>3,000</u>	<u>3,000</u>
Total other objects	<u>90,067,000</u>	<u>109,793,000</u>	<u>115,557,000</u>
Total	<u>165,095,000</u>	<u>193,093,000</u>	<u>204,523,000</u>

Position Data:

Average Salary, ES positions	\$103,000	\$107,000	\$107,000
Average Salary, GM/GS positions	\$26,000	\$27,000	\$28,000
Average Grade, GM/GS positions	8.2	8.4	8.4

WORKING CAPITAL FUND

Program Activity:

Current Estimate, 1993	\$193,093,000
Budget Estimate, 1994	<u>204,523,000</u>
Increase Over 1993	<u>11,430,000</u>

SUMMARY OF INCREASES AND DECREASES
(Program Activity)

<u>Item of Change</u>	<u>1993 Estimated</u>	<u>Program Changes</u>	<u>1994 Estimated</u>
1. Sup./ Cen. Svc	\$19,527,000	+\$329,000	\$19,856,000
CS Stores	2,055,000	+43,000	2,098,000
CS Forms	3,761,000	+81,000	3,842,000
CEPO.	1,651,000	+29,000	1,680,000
CSR.	453,000	+42,000	495,000
Imp. Fund	281,000	-48,000	233,000
AGCAS	276,000	+8,000	284,000
Cent. Mail	3,473,000	+118,000	3,591,000
Dupl. Unit	1,342,000	+20,000	1,362,000
Cop. Svc.	4,062,000	+52,000	4,114,000
DMLS	195,000	+15,000	210,000
Ex. Secr.	1,788,000	+48,000	1,836,000
Tr. Ctr.	190,000	-79,000	111,000
2. Vid./Tel, and Visual Des. Svc.	4,337,000	+102,000	4,439,000
Vid./Tel.	1,705,000	+82,000	1,787,000
Des Center	2,632,000	+20,000	2,652,000
3. Finance & Mgt.	108,811,000	+7,565,000	116,376,000
4. ADP Svcs.	41,215,000	+2,783,000	43,998,000
NCC/Mainfr	32,300,000	+2,355,000	34,655,000
NCC/FTS	2,963,000	+330,000	3,293,000
NCC/AD	2,752,000	+227,000	2,979,000
CSU	1,245,000	+42,000	1,287,000
TSO	887,000	+53,000	940,000
LAN	<u>1,068,000</u>	<u>-224,000</u>	<u>844,000</u>
Rec. Op.	173,890,000	+10,779,000	184,669,000
Cap. Equip..	<u>19,203,000</u>	<u>+651,000</u>	<u>19,854,000</u>
Total	<u>193,093,000</u>	<u>+11,430,000</u>	<u>204,523,000</u>

PROJECT STATEMENT
(On basis of program activity)

Project	1992 Actual Amount	Staff: Years	1993 (Estimated): Amount	Staff: Years	Increase or Decrease	1994 (Estimated): Amount	Staff: Years
1. Sup./ Cen. Svc.	\$18,010,000:	195:	\$19,527,000:	206:	+\$329,000:	\$19,856,000:	203:
CS Stores	2,438,000:	7:	2,055,000:	8:	+43,000:	2,098,000:	8:
CS Forms	3,428,000:	30:	3,761,000:	30:	+81,000:	3,842,000:	29:
CEPO	1,602,000:	12:	1,651,000:	12:	+29,000:	1,680,000:	12:
CSR	363,000:	1:	453,000:	1:	+42,000:	495,000:	1:
Imp. Fund	174,000:	4:	281,000:	5:	-48,000:	233,000:	5:
AGCAS	185,000:	2:	276,000:	2:	+8,000:	284,000:	2:
Cent. Mail	3,361,000:	82:	3,473,000:	82:	+118,000:	3,591,000:	81:
Dupl. Unit	1,082,000:	11:	1,342,000:	11:	+20,000:	1,362,000:	11:
Cop. Svc.	4,054,000:	28:	4,062,000:	29:	+52,000:	4,114,000:	28:
DMLS	161,000:	3:	195,000:	3:	+15,000:	210,000:	3:
Ex. Secr.	1,162,000:	15:	1,788,000:	21:	+48,000:	1,836,000:	21:
Tr. Ctr./1	0:	0:	190,000:	2:	-79,000:	111,000:	2:
2. Vid/Tel & Visual Des. Svc.	4,230,000:	23:	4,337,000:	27:	+102,000:	4,439,000:	27:
Vid./Tel.	1,717,000:	11:	1,705,000:	13:	+82,000:	1,787,000:	13:
Des. Ctr.	2,513,000:	12:	2,632,000:	14:	+20,000:	2,652,000:	14:
3. Fin. and Mgt.	93,904,000:	1,449:	108,811,000:	1,532:	+7,565,000:	116,376,000:	1,515:
4. ADP Svc	36,988,000:	203:	41,215,000:	218:	+2,783,000:	43,998,000:	216:
NCC/MF	29,850,000:	148:	32,300,000:	149:	+2,355,000:	34,655,000:	147:
NCC/FTS	2,430,000:	24:	2,963,000:	23:	+330,000:	3,293,000:	23:
NCC/AD	1,920,000:	20:	2,752,000:	36:	+227,000:	2,979,000:	36:
CSU	1,323,000:	11:	1,245,000:	9:	+42,000:	1,287,000:	9:
TSO	683,000:	0:	887,000:	1:	+53,000:	940,000:	1:
LAN	782,000:	0:	1,068,000:	0:	-224,000:	844,000:	0:
Rec. Op.	153,132,000:	1,870:	173,890,000:	1,983:	+10,779,000:	184,669,000:	1,961:
Cap. Eq.	11,963,000:	0:	19,203,000:	0:	+651,000:	19,854,000:	0:
Total . .	165,095,000:	1,870:	193,093,000:	1,983:	+11,430,000:	204,523,000:	1,961:

1/ Training Center (new WCF activity center) was approved by the Director, Office of Management and Budget January 12, 1993 (approval required under 7 U.S.C. 2235).

FUNDING FROM NON-USDA AGENCIES
(On basis of program activity)

Project	1992 Actual	Staff:	1993 (Estimated)	Staff:	Increase	1994 (Estimated)	Staff:
	Amount	Years:	Amount	Years:	or	Amount	Years:
					Decrease		
1. Sup./							
Cen. Svc.	\$1,580,000:	0:	\$1,909,000:	0:	+\$214,000:	\$2,123,000:	0:
2. Vid/Tel							
& Visual.							
Des. Svc.	26,000:	0:	25,000:	0:	+0:	25,000:	0:
3. Fin.							
& Mgt.	46,672,000:	648:	60,182,000:	844:	+6,973,000:	67,155,000:	805:
4. ADP Svc	875,000:	0:	765,000:	3:	+90,000:	855,000:	3:
Total . .	49,153,000:	648:	62,881,000:	847:	+7,277,000:	70,158,000:	808:

WORKING CAPITAL FUND

Explanation of Program

Authorized under Public Law 78-129, making appropriations to USDA for FY 1944 (7 U.S.C. 2235), the USDA Working Capital Fund finances services provided to USDA agencies on a centralized basis. Under the law, only activities approved by the Director of the Office of Management and Budget (OMB) may be carried out under the Fund. Centralization is recommended by the Department and approved by OMB when:

- Centralization will result in cost savings due to:
 - Economies of scale
 - Reduced overhead
 - Central cost-based management
 - Coordination which avoids duplication of effort among agencies
- Centralization offers other advantages such as:
 - Improved services to agencies and to the public
 - Availability of services to agencies which could not afford them except on a centralized basis
 - Ability to replace equipment on a long-term basis through the use of depreciation charges to users

The Fund received an initial appropriation of \$400,000 for FY 1944. Over the years, additional working capital has been made available through initial transfers into the Fund of activities meeting the above criteria and through Congressional authorizations to receive growth capital from serviced USDA agencies. WCF operations are financed by charging user agencies the actual costs of providing required services. The following are services financed through the Fund:

Supply and Other Central Services. The Office of Operations manages the following services under this category: (a) central supply, which provides for the acquisition, receipt, storage, issuance, packing, and shipment of office and other supplies, blank forms, and miscellaneous materials for the Department and other Government agencies; (b) central mail services, which include operation of the USDA mail processing, messenger, and automated mailing list services; (c) central excess property, which coordinates receipt, rehabilitation, and distribution of personal property for the Department and other Government agencies; (d) central shipping and receiving services; (e) central imprest fund, which provides cash advances for small purchases and travel; (f) automated contract system used by agencies and staff offices to prepare procurement documents; and (g) copier and duplicating services which provide duplicating, reproducing, binding, addressing and mailing, and short-order and walk-up copier stations for duplicating and xerographic production. The Office of the Executive Secretariat provides referral and correspondence control services for mail addressed to the Secretary, the immediate Office of the Secretary, and the Department. The Office of Personnel manages a Training Center that provides training facilities to agencies in the D.C. Metropolitan area.

Video and Teleconferencing, & Visual Design Services. These activities, managed by the Office of Public Affairs plan, design, and produce visual information materials, exhibits, art, and graphics materials for the Department and other Government agencies.

National Finance Center. This activity in the Office of Finance and Management designs, develops, implements, and operates centralized administrative systems for the Department. Centralized payroll, personnel, voucher and vendor payments, billings and collections, property management, accounting, and financial recordkeeping systems are currently provided. It also produces external financial reports to Treasury and other agencies, and internal management reports for Departmental agencies. In addition, the National Finance Center provides financial and accounting services to a number of other Federal Departments through "cross-servicing" agreements and serves as recordkeeper for the Thrift Savings Plan System under the Federal Employee Retirement System.

JUSTIFICATION OF INCREASES AND DECREASES

Centralized administrative services enable users to receive high-quality services at the lowest possible cost of operation. Services are operated in this manner in an effort to minimize unit costs for recurring operations. Expectations of progress in minimizing unit costs, as well as expected increases in demand for Fund-supported services among USDA agencies and existing non-USDA users serve as the basis for the FY 1993 revised and FY 1994 initial Working Capital Fund (WCF) cost estimates.

Centralized administrative services are subject to regular oversight consistent with both Administration management initiatives and Departmental productivity improvement activities. This oversight is undertaken to determine whether these activities should continue as centrally managed services and to offer Departmental management analyses of alternative operating methods. Enhanced productivity and cost-effectiveness result. The results of such oversight exercised in FY 1992 are reflected in the revised FY 1993 and initial FY 1994 cost estimates provided. As regular oversight is conducted, these estimates may be adjusted significantly, subject to review and approval by Departmental management.

The following is an explanation of program activity changes from FY 1993 to FY 1994 currently anticipated.

(1) An increase of \$329,000 for recurring operations of Supply and Other Central Services consisting of:

Central Supply Stores	+\$43,000
Central Supply Forms	+81,000
Central Excess Property	+29,000
Central Shipping and Receiving	+42,000
Central Imprest Fund	-48,000
Agriculture Contract Automation Service	+8,000
Central Mail Unit	+118,000
Duplicating Unit	+20,000
Copier Service	+52,000
Departmental Mailing List	+15,000
Office of the Executive Secretariat	+48,000
Training Center	-79,000
Total	+\$329,000

Need for Change. Cost increases in this area are, for the most part, inflationary. The reduction in the Central Imprest Fund reflects lower estimates for supply and administrative management costs. The reduction in the Training Center represents the elimination of on-time start-up costs for opening of the Center (Note: Approval for WCF funding of a Training Center was granted by the Director, Office of Management and Budget, as required under 7 U.S.C. 2235, on January 12, 1993).

Nature of Change. Cost increases in excess of inflation are expected for Central Shipping and Receiving, Departmental Mailing List services. In Central Shipping and Receiving, non-inflationary increases are due to non-capitalized equipment acquisitions and maintenance charges. Non-inflationary cost increases in Departmental Mailing List services are due to increased depreciation costs on capitalized equipment.

- (2) An increase of \$102,000 for recurring operations of Video and Teleconferencing, and Visual Design Services consisting of:

Video and Teleconferencing Services	+ \$82,000
Design Services	+ 20,000
Total	+ \$102,000

Need for Change. Cost increases for Visual Design Services are expected to be less than inflation. Cost increases in Video and Teleconferencing are for enhancements in video production capability.

Nature of Change. Non-inflationary cost increases in Video and Teleconferencing Services reflect increases in depreciation on new equipment to improve reliability of service and contract support costs. All cost increases in Design Services are the result of personnel and other cost inflation with a slight offsetting reduction in depreciation costs.

- (3) An increase of \$7,565,000 for recurring operations of the National Finance Center (NFC).

Need for Change. Cost increases reflect demand increases among systems operated at the NFC. Fulfillment of prior service obligations to non-USDA users (primarily for Federal Employee Retirement System/Thrift Savings Plan services) will result in a significant increase in costs associated with services to non-USDA agencies (about 74 percent of the total cost increase of \$7.5 million). Cost increases for core services to USDA agencies will be less than inflation.

Nature of Change. Non-inflationary cost increases at the NFC reflect costs for additional personnel, needed to meet increased non-USDA demand for services, and equipment expenses (purchase and rental of equipment, maintenance, software support, etc.) related to mainframe computer and other equipment needed to process expected increases in total workload volume. The most significant increases in workload volume will come in payroll/personnel services, which is a reflection of greater non-USDA activity, and Thrift Savings Plan recordkeeping and loan operations support.

- (4) A net increase of \$2,783,000 for recurring operations of ADP systems consisting of:

NCC/Mainframe	+ \$2,355,000
NCC/FTS-2000	+ 330,000
NCC/Applications Design	+ 227,000
Computer Services Unit	+ 42,000
Telephone Service Operations	+ 53,000
Local Area Network	- 224,000
Total	+ \$2,783,000

Need for Change. Increases in demand estimates for mainframe computer services operated on IBM systems (13 percent), and telecommunications services such as electronic mail services (10 percent) are the principal reasons for ADP system cost increases. Users' increasing need for telecommunications and mainframe ADP support services require improvements in technological and management efficiency. The increases in total costs in mainframe and telecommunications services will result in lower unit operating costs.

Nature of Change. Increases in mainframe ADP services reflect increases in staffing levels to support mainframe operations, and increases in equipment rental costs and associated supply costs (e.g., software). There are partial offsetting reductions in depreciation on capitalized equipment.

- (5) An expenditure of \$19,854,000 for capital acquisitions in FY 1994 (\$19,203,000 in FY 1993):

(a) Capital acquisitions for Supply and Other Central Services of \$988,000.

Central Supply Stores	\$0
Central Supply Forms	0
Central Excess Property	0
Central Shipping and Receiving	0
Central Imprest Fund	0
Agriculture Contract Automation Service	0
Central Mail Unit	30,000
Duplicating Unit	71,000
Copier Service	791,000
Departmental Mailing List	20,000
Office of the Executive Secretariat	76,000
Training Center	0
Total	\$988,000

Need for Change. All expenditures will be in mail distribution and automation services, copier and duplicating services, and executive correspondence management and tracking.

Nature of Change. Acquisitions in copier/duplicating services will take advantages of newer technology in large and medium volume copiers and duplicating equipment. Acquisitions will assist these centers in responding to expected increases in demand for such services. Mail distribution services will obtain equipment to improve efficiency in distribution and take advantage of ADP technologies in maintaining mailing list data. The Office of the Executive Secretariat will procure equipment in an effort to improve tracking of executive correspondence and data storage capacity.

(b) Capital acquisitions for Video and Teleconferencing, and Visual Design Services of \$250,000.

Video and Teleconferencing Services	\$215,000
Visual Design Services	35,000
Total	\$250,000

Need for Change. Most of the FY 1994 amount is in response to the need to improve the quality and reliability of services in video and teleconferencing services. Design services will realize improvements in production and graphics capabilities through its procurements.

Nature of Change. Acquisitions in video and teleconferencing services include network and teleconferencing equipment to improve those services and respond to expected increases in demand (approximately 5 percent in both video production requests and teleconferences). Further, production equipment upgrades (editing system, studio equipment, field video equipment) will improve the quality and reliability of service to USDA agencies. Purchase of plotter and printer equipment will enable the Design Center to improve the graphics and reproduction capabilities of its operations.

(c) Capital acquisitions for the National Finance Center of \$13,130,000.

Need for Change. Purchases are needed for CPU upgrades to respond to increases in service demand, improve data telecommunications capabilities, and other ADP-related needs.

Nature of Change. Upgrading mainframe computer operations (CPU upgrade, associated software improvements) to respond to expected demand and avoid service interruptions will make up about half of total acquisitions. The remainder will be spent on telecommunications and video equipment, mail support, image processing equipment, and other ADP-related equipment.

(d) Capital acquisitions for ADP Services of \$5,486,000.

NCC/Mainframe	\$4,726,000
NCC/FTS-2000	403,000
NCC/Applications Design	0
Computer Services Unit	127,000
Telephone Service Operations	55,000
Local Area Network	<u>175,000</u>
Total	\$5,486,000

Need for Change. Most of the FY 1994 amount (86 percent) will be devoted to mainframe computer services. Acquisitions in ADP Services will address mainframe equipment and support needs, personal computer and network equipment needs, and telecommunications support requirements.

Nature of Change. Mainframe computer and system operations will benefit from software acquisitions and direct access storage device equipment acquisitions, allowing users improved direct data access and more effective software applications use. Telecommunications and teleconferencing services will also be improved through related equipment acquisitions, allowing users to take advantage of enhancements in network and data communications technologies.

WORKING CAPITAL FUND

GEOGRAPHIC BREAKDOWN OF OBLIGATIONS AND STAFF-YEARS
1992 and Estimated 1993 and 1994

	<u>1992</u>		<u>1993</u>		<u>1994</u>	
	<u>Amount</u>	<u>Staff Years</u>	<u>Amount</u>	<u>Staff Years</u>	<u>Amount</u>	<u>Staff Years</u>
Louisiana	\$102,406,000	1,441	\$120,685,000	1,524	\$128,774,000	1,507
Colorado	4,491,000	44	6,046,000	59	6,675,000	59
Missouri	30,428,000	148	37,017,000	149	39,381,000	147
Maryland	7,497,000	49	7,597,000	50	7,620,000	49
Dist. of Columbia	<u>20,273,000</u>	<u>188</u>	<u>21,748,000</u>	<u>201</u>	<u>22,073,000</u>	<u>199</u>
Total, Available or Estimate . .	<u>165,095,000</u>	<u>1,870</u>	<u>193,093,000</u>	<u>1,983</u>	<u>204,523,000</u>	<u>1,961</u>

PROPOSED LANGUAGE CHANGES

RENTAL PAYMENTS AND BUILDING OPERATIONS AND MAINTENANCE

The estimates include appropriation language for this item as follows (new language underscored; deleted matter enclosed in brackets):

Rental Payments (USDA)

For payment of space rental and related costs pursuant to Public Law 102-142 for programs and activities of the Department of Agriculture which are included in this Act, \$50,503,000 of which \$5,000,000 shall be retained by the Department of Agriculture for non-recurring repairs as determined by the Department of Agriculture: Provided, That in the event an agency within the Department of Agriculture should require modification of space needs, the Secretary of Agriculture may transfer a share of that agency's appropriation made available by this Act to this appropriation, or may transfer a share of this appropriation to that agency's appropriation, but such transfers shall not exceed 10 percentum of the funds made available for space rental and related costs to or from this account.

Building Operations and Maintenance

For the operation, maintenance, and repair of Agriculture buildings [pursuant to the delegation of authority from the Administrator of General Services authorized by 40 U.S.C. 486,] [\$26,482,000], \$25,581,000.

This change proposes to delete reference to the delegation of authority from GSA to operate and maintain the buildings in the Headquarters complex. USDA has been operating without a delegation of authority since 1989. The change reflects the current state of affairs.

RENTAL PAYMENTS AND BUILDING OPERATIONS AND MAINTENANCE

Appropriations Act, 1993.....	\$76,203,000
Budget Estimate, 1994.....	<u>76,084,000</u>
Decrease in Appropriation.....	<u>-119,000</u>

SUMMARY OF INCREASES AND DECREASES
(On basis of appropriation)

<u>Item of Change</u>	<u>1993 Estimated</u>	<u>Pay Cost</u>	<u>Other Changes</u>	<u>1994 Estimated</u>
Rental Payments to GSA.....	\$50,503,000	--	--	\$50,503,000
Building Operations and Maintenance.....	<u>25,700,000</u>	<u>+\$104,000</u>	<u>-\$223,000</u>	<u>25,581,000</u>
Total Available.....	<u>76,203,000</u>	<u>+104,000</u>	<u>-\$223,000</u>	<u>76,084,000</u>

PROJECT STATEMENT
(On basis of appropriation)

	<u>1992</u>		<u>1993</u>		<u>Increase or Decrease</u>	<u>1994</u>	
	<u>Actual</u>		<u>Estimated</u>			<u>Estimated</u>	
<u>Item of Change</u>	<u>Amount</u>	<u>:Staff: :Years:</u>	<u>Amount</u>	<u>:Staff: :Years:</u>		<u>Amount</u>	<u>:Staff :Years</u>
1. Rental							
Payments....	\$50,679,002:	--:	\$50,503,000:	--:	--	\$50,503,000:	--
2. Building							
Operations							
& Mainten-							
ance.....	<u>25,700,000:</u>	<u>87:</u>	<u>25,700,000:</u>	<u>87:</u>	<u>-119,000 (1):</u>	<u>25,581,000:</u>	<u>86</u>
Total, available:							
or estimate....	<u>76,379,002:</u>	<u>87:</u>	<u>76,203,000:</u>	<u>87:</u>	<u>-119,000 (1):</u>	<u>76,084,000:</u>	<u>86</u>
Transfer to:							
SCS.....	219,768:	--:	--:	--:			
FmHA.....	263,830:	--:	--:	--:			
NASS.....	<u>40,400:</u>	<u>--:</u>	<u>--:</u>	<u>--:</u>			
Total, Trans..	<u>+523,998:</u>	<u>--:</u>	<u>--:</u>	<u>--:</u>			
Total, Appro-							
priation.....	<u>76,903,000:</u>	<u>87:</u>	<u>76,203,000:</u>	<u>87:</u>			

RENTAL PAYMENTS AND BUILDING OPERATIONS AND MAINTENANCE

CLASSIFICATION BY OBJECTS1992 and Estimated 1993 and 1994

	<u>1992</u>	<u>1993</u>	<u>1994</u>
Personnel Compensation:			
Headquarters	\$3,698,887	\$3,935,000	\$4,023,000
11 Total personnel compensation	3,698,887	3,935,000	4,023,000
12 Personnel Benefits.....	647,927	696,000	712,000
13 Benefits for former personnel.....	<u>1,943</u>	<u>3,000</u>	<u>3,000</u>
Total pers. comp & benefits...	4,348,757	4,634,000	4,738,000
Other Objects:			
21 Travel.....	13,658	12,000	12,000
22 Transportation of things....	5,216	5,000	5,000
23.1 Rental payments to GSA.....	45,690,249	45,503,000	45,503,000
23.3 Communications, utilities, and misc. charges.....	5,362,261	5,428,000	5,365,000
24 Printing.....	25,657	25,000	25,000
25 Other services.....	19,695,001	19,466,000	19,311,000
26 Supplies and materials.....	651,009	582,000	580,000
31 Equipment.....	430,489	344,000	342,000
32 Land and Structures.....	<u>156,705</u>	<u>204,000</u>	<u>203,000</u>
Total other objects.....	<u>72,030,245</u>	<u>71,569,000</u>	<u>71,346,000</u>
Total direct obligations.....	<u>\$76,379,002</u>	<u>\$76,203,000</u>	<u>\$76,084,000</u>
<u>Position Data:</u>			
Average Salary, GM/GS position...	\$37,880	\$39,282	\$41,128
Average Grade, GM/GS positions...	10.34	10.37	10.45

EXPLANATION OF PROGRAM

This appropriation provides funding for the following activities:

Rental Payments to GSA. The fiscal year 1983 Agriculture Appropriations Act (P.L. 97-370) consolidated most of the Department's rental payments to the General Services Administration (GSA) into a single appropriation. This activity does not provide funding to cover space costs incurred in other funding areas such as trust funds, the Working Capital Fund, and other non-appropriated funds. The amount in this account represents the appropriated portion of the total Departmental charges for rent payments to the GSA for all agencies and staff offices of the Department except the Forest Service. In addition, the appropriation provides for the retention of funds by USDA for non-recurring repairs.

Building Operations and Maintenance. On October 1, 1984, GSA delegated the operations and maintenance functions for the buildings in the D.C. complex to the Department. This activity provides Departmental staff and support services to operate, maintain, and repair the buildings in the D.C. complex. GSA retains responsibility for major non-recurring repairs. Since 1989 when the GSA delegation expired, USDA has been responsible for managing, operating, maintaining, repairing, and improving the Headquarters Complex, which encompasses 14.1 acres of ground and 4 buildings containing approximately 3 million square feet of space occupied by approximately 8,000 employees.

JUSTIFICATION OF INCREASES AND DECREASES

- (1) A net decrease of \$119,000 for building operations and maintenance composed of the following:
 - (a) An increase of \$569,000 which reflects a 2.7 percent increase in non-salary costs.
 - (b) An increase of \$104,000 for pay costs which reflects the annualization of the fiscal year 1993 pay raise.
 - (c) A decrease of \$792,000 for administrative efficiency.

Need for Change. To promote the efficient use of resources for administrative purposes, in keeping with the President's Executive Order, total USDA baseline outlays for these activities will be reduced by 3 percent in FY 1994, 6 percent in FY 1995, 9 percent in FY 1996 and 14 percent in FY 1997.

Nature of Change. In order to achieve this savings, reductions will be made in discretionary expenses such as -- travel and transportation of persons, transportation of things, communications, utilities, printing and reproduction services, contracts for equipment maintenance, training, other services, supplies, and equipment purchases.

GEOGRAPHIC BREAKDOWN OF OBLIGATIONS AND STAFF YEARS
1992 and Estimated 1993 and 1994

	1992		1993		1994	
	Amount	Staff Years	Amount	Staff Years	Amount	Staff Years
Washington, D.C.....	\$76,379,002	87	\$76,203,000	87	\$76,084,000	86
Unobligated balance	--	--	--	--	--	--
Total, Available or Estimate	\$76,379,002	87	\$76,203,000	87	\$76,084,000	86

ADVISORY COMMITTEES

Purpose Statement

The Federal Advisory Committee Act (P.L. 92-463) was passed in 1972 to recognize that committees and similar groups provide a useful and beneficial means of furnishing expert advice to officers of the Federal Government. The Assistant Secretary for Administration is the principal Department Officer responsible for performing functions and coordinating activities of the Act.

The Agriculture, Rural Development and Related Agencies Appropriations Act of 1983 consolidated all USDA advisory committee funds, except those in the Forest Service and those paid from user fees, in a separate appropriation.

ADVISORY COMMITTEES

Available Funds and Staff-Years1992 Actual and Estimated, 1993 and 1994

	:	1992	:	1993	:	1994	:
	:	Actual	:	Estimated	:	Estimated	:
Item	:	Amount	: Staff:	Amount	: Staff:	Amount	: Staff
	:		: Years:		: Years:		: Years
USDA Advisory	:	:	:	:	:	:	:
Committees.....	:	\$2,038,000:	-- :	\$952,000 :	-- :	\$ 952,000 :	--
Total, Advisory	:	:	:	:	:	:	:
Committees.....	:	2,038,000:	-- :	952,000 :	-- :	952,000 :	--

ADVISORY COMMITTEES

CLASSIFICATION BY OBJECTS1992 and Estimated 1993 and 1994

	<u>1992</u>	<u>1993</u>	<u>1994</u>
Personnel Compensation: <u>a/</u>			
11 Total personnel compensation	\$715,625	\$490,000	\$502,000
12 Personnel Benefits.....	<u>122,462</u>	<u>84,000</u>	<u>86,000</u>
Total Pers. Comp & Benefits.....	838,087	574,000	588,000
Other Objects:			
21 Travel.....	594,821	222,000	214,000
22 Transportation of things....	1,074	1,000	1,000
23.3 Communications, utilities, and other rent.....	48,338	10,000	10,000
24 Printing and reproduction...	43,630	31,000	30,000
25 Other services.....	246,964	95,000	92,000
26 Supplies and materials.....	19,621	17,000	16,000
31 Equipment.....	396	2,000	1,000
41 Grants, Subsidies and Contributions.....	<u>42,000</u>	<u>--</u>	<u>--</u>
Total other objects.....	<u>996,844</u>	<u>378,000</u>	<u>364,000</u>
Total direct obligations.....	<u>1,834,931</u>	<u>952,000</u>	<u>952,000</u>

a/ USDA agencies are allowed under the Advisory Committee Act to obligate funds for portions of salaries and benefits for staff-time devoted to the support of these committees.

ADVISORY COMMITTEES

The estimates include appropriation language for this item as follows:

For necessary expenses for activities of advisory committees of the Department of Agriculture which are included in this Act, \$952,000: Provided, That no other funds appropriated to the Department of Agriculture in this Act shall be available to the Department of Agriculture for support of such committees.

ADVISORY COMMITTEES

Appropriations Act, 1993.....	\$952,000
Budget Estimate, 1994.....	<u>952,000</u>
Change in Appropriation.....	<u> --</u>

SUMMARY OF INCREASES AND DECREASES
(on basis of appropriation)

<u>Item of Change</u>	<u>1993 Estimated</u>	<u>Program Changes</u>	<u>1994 Estimated</u>
USDA Advisory Committees.....	\$952,000	--	\$952,000

PROJECT STATEMENT
(on basis of appropriation)

<u>Item of Change</u>	<u>1992 Actual</u>	<u>Staff: Years</u>	<u>1993 Estimated</u>	<u>Staff: Years</u>	<u>Increase or Decrease</u>	<u>1994 Estimated</u>	<u>Staff: Years</u>
Advisory Committees....	\$1,832,482:	--	\$952,000:	--	--	\$952,000:	--
National Commission on...	:	:	:	:	:	:	:
Agriculture and Rural Develop...	2,449:	--	--	--	--	--	--
Unobligated Balance	:	:	:	:	:	:	:
Lapsing.....	225,494:	--	--	--	--	--	--
Unobl. Balance Brought Forward:	-22,425:	--	--	--	--	--	--
Total, available or estimate.....	<u>2,038,000:</u>	--	<u>952,000:</u>	--	--	<u>952,000:</u>	--
Total, Appropriation..	<u>2,038,000:</u>	--					

EXPLANATION OF PROGRAM

The appropriation provides for financial support of all authorized Department of Agriculture advisory committee activities other than those included in the Forest Service or financed by user fees or other funds. The FY 1983 Agriculture, Rural Development and Related Agencies Appropriations Act provided a consolidated account for this purpose. The Federal Advisory Committee Act (P.L. 92-463) was passed in 1972 to recognize that committees and similar groups provide a useful and beneficial means of furnishing expert advice to officers of the Federal Government. In establishing the Act, Congress declared that: committees should be restricted in number to only those essential to provide the necessary expert advice in specialty areas; uniform standards and procedures should govern the establishment, operation, administration and duration of the committees; and Congress should be kept informed of the number and cost of committees.

Executive Order 12838, Termination and Limitation of Federal Advisory Committees, requires each agency to terminate at least one-third or a minimum of seven discretionary advisory committees by the end of fiscal year 1993. The Order further requires each agency to justify the continuation or termination of its statutory committees. The Department is currently reviewing its advisory committees to determine which should continue in effect and which should be proposed for termination. The Congress will be notified when these decisions are made.

JUSTIFICATION OF INCREASES AND DECREASES

- (1) No net change is requested for advisory committees. Changes in funding requirements will be accomplished within the same level available in fiscal year 1993.

Estimates for the Department's Advisory Committees by major policy area follow.

USDA ADVISORY COMMITTEES

<u>Policy Area and Committee Title</u>	<u>1992 Actual</u>	<u>1993 Estimate</u>	<u>1994 1/ Estimate</u>
Office of the Secretary:			
Alternative Agriculture Research and Commercialization Center.....	--	\$45,698	--
Food and Consumer Services:			
Nat'l Adv. Council on Maternal, Infant and Fetal Nutrition.....	\$35,312	\$8,000	--
Nat'l Adv. Council on Commodity Distribution.	60,583	26,600	--
Dietary Guidelines Advisory Committee.....	--	22,100	--
National Nutrition Monitoring Advisory Council.....	61,807	19,900	--
Advisory Committee on Welfare Simplification and Coordination.....	56,339	49,978	--
Total.....	214,041	126,578	--
Science and Education:			
Nat'l Ag. Res. & Exten. Users Adv. Board....	247,425	100,030	--
National Arboretum Advisory Council.....	9,416	10,000	--
Human Nutrition Board of Scient. Counselors..	15,556	15,000	--
Science & Education Nat'l Res. Initiative....	17,217	14,000	--
Advisory Council for Nat'l Genetics Res.....	17,557	15,000	--
Animal Health Science Research Adv.Board....	14,261	6,500	--
Cooperative Forestry Res. Adv. Council.....	30,109	16,000	--
Committee of Nine.....	38,370	4,000	--
Agricultural Biotechnology Res. Adv. Comm....	151,476	40,000	--
Joint Council on Food and Agricultural Sciences.....	245,789	100,000	--
Agricultural Science and Technology Review Board.....	62,913	20,000	--
Advisory Council on National Sustainable Agriculture.....	21,470	14,000	--
Global Climate Change Technical Advisory Committee.....	4,860	--	--
Total.....	876,419	354,530	--
Marketing and Inspection Services:			
Federal Grain Inspection Svc. Adv. Comm.....	22,116	15,000	--
Nat'l Adv. Comm. on Meat & Poultry Insp.....	18,000	10,000	--
Nat'l Adv. Comm. on Microbiological Criteria for Foods.....	47,125	41,249	--
Advisory Committees on:			
Foreign Animal and Poultry Diseases.....	32,603	10,000	--
Gen. Conf. Comm. of the Nat'l Poultry Improvement Plan.....	18,484	3,500	--
Nat'l Animal Damage Control Adv. Comm.....	52,093	10,000	--
National Organic Standards Board.....	118,083	45,646	--
Total.....	308,504	135,395	--

<u>Policy Area and Committee Title</u>	<u>1992 Actual</u>	<u>1993 Estimate</u>	<u>1994 ^{1/} Estimate</u>
International Affairs and Commodity Programs:			
Agricultural Policy Adv. Comm. for Trade...	16,906	14,848	--
Agricultural Tech. Adv. Comm. for Trade:			
Cotton.....	17,331	13,821	--
Dairy Products.....	17,331	13,821	--
Fruits and Vegetables.....	17,331	13,821	--
Grain and Feed.....	18,403	14,847	--
Livestock and Livestock Products.....	20,308	14,847	--
Oilseeds and Oilseed Products.....	17,331	13,821	--
Poultry and Eggs.....	17,331	13,821	--
Sweeteners.....	15,620	13,821	--
Tobacco.....	17,844	13,821	--
Processed Food.....	17,331	13,821	--
Agribusiness Promotion Council.....	14,557	--	--
Agricultural Adv. Comm. on Providing Advice to Emerging Democracies.....	<u>12,958</u>	<u>--</u>	<u>--</u>
Total.....	220,582	155,110	--
Small Community and Rural Development:			
President's Council on Rural America.....	87,633	10,253	--
National Commission on Agriculture and Rural Development.....	<u>2,449</u>	<u>--</u>	<u>--</u>
Total.....	90,082	10,253	--
Economics:			
Nat'l Ag. Cost of Prod. Standards Review Bd.	31,042	24,273	--
Departmental Administration:			
Citizen's Adv. Comm. on Equal Opportunity...	54,828	21,788	--
Committee Management Support.....	<u>39,433</u>	<u>50,000</u>	<u>--</u>
Total.....	94,261	71,788	--
Reserved Contingency.....	<u>--</u>	<u>28,375</u>	<u>--</u>
Total, Advisory Committees.....	<u>1,834,931</u>	<u>952,000</u>	<u>952,000</u>

^{1/} Decisions have not been made on which committees will be active in fiscal year 1994 and the funding allocation to those committees. An updated table of committee estimates will be provided when deliberations are completed.

HAZARDOUS WASTE MANAGEMENT

Purpose Statement

This program is designed to promote facility compliance under the requirements of the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA) and the Resource Conservation Recovery Act (RCRA). These Acts require Federal agencies to meet the same standards for storage and disposition of hazardous wastes as private businesses. The funds provided for this program enable the Department to address problems posed by past uncontrolled hazardous waste disposal practices and to deal with the regulation of current hazardous substances.

A central fund has been established from which resources are allocated to USDA agencies according to priority of need. This approach permits the Department to correct compliance problems in a systematic manner.

HAZARDOUS WASTE MANAGEMENT

Available Funds and Staff-Years1992 Actual and Estimated, 1993 and 1994

Item	1992 Actual	Staff Years	1993 Estimated	Staff Years	1994 Estimated	Staff Years
Direct Appropriation...	\$26,350,000	--	\$16,000,000	--	\$16,000,000	--
Deduct Allotments to						
Other Agencies:						
Commodity Credit						
Corporation.....	-5,163,500	--	-3,000,000	--	-3,000,000	--
Forest Service.....	-10,696,000	--	-8,527,000	--	-8,527,000	--
Agricultural						
Research Service..	-5,209,691	--	-1,698,000	--	-1,248,000	--
Farmers Home						
Administration...	-4,000,000	--	-1,271,600	--	---	--
Soil Conservation						
Service.....	-245,000	--	-224,000	--	---	--
Farm Service Agency:	---	--	---	--	-1,761,000	
Animal and Plant						
Health Inspection:						
Service.....	-202,000	--	-149,000	--	-50,000	--
Office of the						
General Counsel...	-595,007	--	-513,000	--	-492,000	--
National						
Agricultural						
Library.....	-24,135	--	---	--	---	--
Food Safety and						
Inspection Svc....	-197,000	--	-120,000	--	-240,000	--
Departmental Admin..	-17,667	--	---	--	---	--
Rural Development						
Administration	---	--	---	--	-300,000	--
Total, Allotments....	-26,350,000	--	-15,502,600	--	-15,618,000	--
Reserve for Further						
Allocation.....	---	--	-497,400	--	-382,000	--
Total, HWM.....	0	--	0	--	0	--

HAZARDOUS WASTE MANAGEMENT

CLASSIFICATION BY OBJECTS1992 and Estimated 1993 and 1994

	<u>1992</u>	<u>1993</u>	<u>1994</u>
Other Objects:			
21 Travel.....	317,000	---	---
22 Transportation of things.....	27,000	---	---
23.2 Rental payments to others....	---	---	---
23.3 Communications, utilities, and misc. charges.....	95,000	---	---
24 Printing.....	15,000	---	---
25 Other services.....	34,555,573	18,190,065	16,000,000
26 Supplies and materials.....	377,000	---	---
31 Equipment.....	482,000	---	---
32 Lands and Structures.....	1,121,000	---	---
33 Investments and Loans.....	-1,000	---	---
41 Grants, Subsidies and Contributions.....	10,000	---	---
42 Insurance claims & Indemnities	1,000	---	---
43 Interest and Dividends.....	5,000	---	---
Total other objects.....	<u>37,004,573</u>	<u>18,190,065</u>	<u>16,000,000</u>
Total direct obligations.....	<u>37,004,573</u>	<u>18,190,065</u>	<u>16,000,000</u>

HAZARDOUS WASTE MANAGEMENT

The estimates include appropriation language for this item as follows:

Hazardous Waste Management

For necessary expenses of the Department of Agriculture to comply with the requirement of section 107g of the Comprehensive Environmental Response, Compensation, and Liability Act, as amended, 42 U.S.C. 9607g, and section 6001 of the Resource Conservation and Recovery Act, as amended, 42 U.S.C. 6961, \$16,000,000 to remain available until expended: Provided, that appropriations and funds available herein to the Department of Agriculture for hazardous waste management may be transferred to any agency of the Department for its use in meeting all requirements pursuant to the above Acts on Federal and non-Federal lands.

HAZARDOUS WASTE MANAGEMENT

Appropriations Act, 1993	\$16,000,000
Budget Request, 1994	<u>16,000,000</u>
Change in Appropriation	<u>+ 0</u>

PROJECT STATEMENT
(on basis of available funds)

	: 1992	: 1993	:	: 1994
	: Actual	: Estimated	: Increase	: Estimated
	: Staff:	: Staff:	: or	: Staff
	: Amount	: Amount	: Decrease	: Amount
	: Years	: Years		: Years
Haz. Waste Mgmt.	\$37,004,573	---	\$18,190,065	---
Recovery of	:	:	:	:
prior year	:	:	:	:
obligation	-220,433	---	---	---
Unoblig. Bal.	:	:	:	:
start of year.	-12,624,205	---	-2,190,065	---
Unoblig. Bal.	:	:	:	:
end of year...	+2,190,065	---	---	---
Appropriation..	<u>26,350,000</u>	---	<u>16,000,000</u>	---

Explanation of Program

This appropriation funds the Department's efforts to identify, assess, contain, and clean up hazardous waste sites in areas covered by programs of the Department or within Departmental jurisdiction. These responsibilities were imposed on all Federal agencies by the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA) and the Resource Conservation and Recovery Act (RCRA).

Because the Department identified a number of hazardous waste sites requiring remedial action, a central fund was established in fiscal year 1988. Resources from this fund are allocated to Departmental agencies according to priority needs.

JUSTIFICATION OF INCREASES AND DECREASES

No increase is requested for this appropriation. The CERCLA and RCRA programs will be carried out within the level appropriated for fiscal year 1993.

Allocations to USDA agencies are shown below. The allocations for fiscal year 1994 are tentative, based on current program status.

Current and Proposed Allocation of Funds
for Hazardous Waste Management
(Dollars in Thousands)

USDA Agency	1993 Estimate	1994 Estimate
Agricultural Research Service	1,698	1,248
Animal and Plant Health		
Inspection Service	149	50
Commodity Credit Corporation	3,000	3,000
Farmers Home Administration	1,272	---
Farm Service Agency	---	1,761
Food Safety and Inspection Service	120	240
Forest Service	8,527	8,527
Office of the General Counsel	513	492
Soil Conservation Service	224	---
Rural Development Administration	---	300
Reserved for Further Allocation	497	382
Total Allocations	<u>16,000</u>	<u>16,000</u>

OFFICE OF PUBLIC AFFAIRS

Purpose Statement

The Office of Public Affairs (OPA) was established by the Secretary of Agriculture on October 1, 1989, under the Reorganization Plan 2 of 1953 (7 U.S.C. 2201).

The Office of Public Affairs provides leadership, expertise, and counsel for the development of public affairs strategies which are vital to the overall formulation, awareness, and acceptance of U.S. Department of Agriculture programs and policies. OPA serves as the principal USDA contact point for dissemination of consistent, timely information.

The two major programs are:

1. Public Affairs. Provides direction, leadership, and balance in the development and delivery of useful information through all media to the public on USDA's involvement in all areas of agriculture, including: research, educational and regulatory activities; nutrition, conservation and farm programs; forestry and international agriculture. It also serves as the focal point for liaison between the Department and the public, including the many associations and organizations representing America's food and fiber system, with emphasis on policy education and direction.
2. Intergovernmental Affairs. Directs and coordinates all programs involving the implementation of USDA policies and procedures applicable to the Department's intra and intergovernmental relations. Also, coordinates USDA's Native American and Alaskan Native assistance programs.

The Office of Public Affairs also provides centralized services financed through the Working Capital Fund in the areas of video and teleconference, and design and exhibits. Other centralized services are provided by the photography, printing, and publishing units. The agency is located in Washington, D.C. As of September 30, 1992, there were 138 full-time permanent employees and 6 other than full-time permanent employees.

OFFICE OF PUBLIC AFFAIRS

Available Funds and Staff-Years1992 Actual and Estimated, 1993 and 1994

Item	1992 Actual	Staff Years	1993 Estimated	Staff Years	1994 Estimated	Staff Years
Direct Appropriation...	\$9,393,000:	114	\$9,393,000:	127	\$9,553,000:	127
Obligations Under Other:	:	:	:	:	:	:
<u>USDA Appropriations:</u>	:	:	:	:	:	:
Agency Photo Service...	695,879:	--	574,000:	--	572,000:	--
Admin. Support to	:	:	:	:	:	:
Working Capital Fund...	63,935:	2	69,000:	2	72,000:	2
Total, Reimbursements...	759,814:	2	643,000:	2	644,000:	2
<u>Working Capital Fund:</u>	:	:	:	:	:	:
Video & Teleconference	:	:	:	:	:	:
and Visual Design	:	:	:	:	:	:
Services.....	4,479,874:	23	4,322,000:	27	4,424,000:	27
Total, Working Capital	:	:	:	:	:	:
Fund.....	4,479,874:	23	4,322,000:	27	4,424,000:	27
Total, Other USDA	:	:	:	:	:	:
Appropriations.....	5,239,688:	25	4,965,000:	29	5,068,000:	29
Total, Agriculture	:	:	:	:	:	:
Appropriations.....	14,632,688:	139	14,358,000:	156	14,621,000:	156
<u>Non-Federal Funds:</u>	:	:	:	:	:	:
Sale of Photos & Slides:	10,885:	--	10,000:	--	10,000:	--
Total, Office of Public	:	:	:	:	:	:
Affairs.....	14,643,573:	139	14,368,000:	156	14,631,000:	156

OFFICE OF PUBLIC AFFAIRS

Permanent Positions by Grade and Staff-Year Summary1992 and Estimated 1993 and 1994

Grade	1992	1993	1994
	Headquarters	Headquarters	Headquarters
ES-4.....	1	1	1
ES-2.....	3	3	3
ES-1.....	2	1	1
GS/GM-15.....	15	16	16
GS/GM-14.....	33	33	33
GS/GM-13.....	13	16	16
GS-12.....	20	20	20
GS-11.....	11	13	13
GS-9.....	13	17	17
GS-8.....	5	5	5
GS-7.....	15	16	16
GS-6.....	3	3	3
GS-5.....	6	6	6
GS-4.....	2	1	1
Upgraded Positions...	5	5	5
Total Permanent Positions.....	147	156	156
Unfilled Positions end-of-year.....	-9	--	--
Total, Permanent Employment, end-of-year	138	156	156
Staff-Years:			
Ceiling.....	139	156	156

OFFICE OF PUBLIC AFFAIRS

CLASSIFICATION BY OBJECTS1992 and Estimated 1993 and 1994

	<u>1992</u>	<u>1993</u>	<u>1994</u>
Personnel Compensation:			
Headquarters	<u>\$5,610,062</u>	<u>\$6,509,000</u>	<u>\$6,650,000</u>
11 Total personnel compensation	5,610,062	6,509,000	6,650,000
12 Personnel Benefits.....	904,927	1,051,000	1,078,000
13 Benefits for former personnel.....	<u>16,329</u>	<u>13,000</u>	<u>13,000</u>
Total pers. comp & benefit....	6,531,318	7,573,000	7,741,000
Other Objects:			
21 Travel.....	69,182	75,000	75,000
22 Transportation of things....	2,103	11,000	11,000
23.3 Communications, utilities, and misc. charges.....	378,953	390,000	387,000
24 Printing.....	594,035	726,000	723,000
25 Other services.....	762,142	508,000	506,000
26 Supplies and materials.....	234,296	97,000	97,000
31 Equipment.....	<u>457,540</u>	<u>13,000</u>	<u>13,000</u>
Total other objects.....	<u>2,498,251</u>	<u>1,820,000</u>	<u>1,812,000</u>
Total direct obligations.....	<u>9,029,569</u>	<u>9,393,000</u>	<u>9,553,000</u>
<u>Position Data:</u>			
Average Salary, ES positions.....	\$93,738	\$97,720	\$98,480
Average Salary, GM/GS position...	\$46,737	\$49,348	\$50,472
Average Grade, GM/GS positions...	11.29	11.30	11.30

OFFICE OF PUBLIC AFFAIRS

The estimates include appropriation language for this item as follows (new language underscored; deleted matter enclosed in brackets):

Office of Public Affairs

[Public Affairs]

For necessary expenses to carry on services relating to the coordination of programs involving public affairs, and for the dissemination of agricultural information and the coordination of information, work and programs authorized by Congress in the Department, [~~\$8,925,000~~] and for programs involving intergovernmental affairs, and liaison within the executive branch, \$9,553,000 including employment pursuant to the second sentence of Section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), of which not to exceed \$10,000 shall be available for employment under 5 U.S.C. 3109, and not to exceed \$2,000,000 may be used for farmers' bulletins and not fewer than two hundred thirty-two thousand two hundred and fifty copies for the use of the Senate and House of Representatives of part 2 of the annual report of the Secretary (known as the Yearbook of Agriculture) as authorized by 44 U.S.C. 1301: Provided, that in the preparation of motion pictures or exhibits by the Department, this appropriation shall be available for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225).

[Intergovernmental Affairs]

[For necessary expenses for programs involving intergovernmental affairs, and liaison within the executive branch, \$468,000.]

This change proposes in the Fiscal Year 1994 Budget to merge amounts appropriated to two accounts into a single appropriation.

OFFICE OF PUBLIC AFFAIRS

Appropriations Act, 1993.....	\$9,393,000
Budget Estimate, 1994.....	<u>9,553,000</u>
Increase in Appropriation.....	<u>+160,000</u>

SUMMARY OF INCREASES AND DECREASES
(On basis of appropriation)

<u>Item of Change</u>	<u>1993 Estimated</u>	<u>Pay Cost</u>	<u>Other Changes</u>	<u>1994 Estimated</u>
Public Affairs.....	\$8,925,000	+\$158,000	-\$8,000	\$9,075,000
Intergovernmental Affairs.	<u>468,000</u>	<u>+10,000</u>	<u>--</u>	<u>478,000</u>
Total Available.....	<u>9,393,000</u>	<u>+168,000</u>	<u>- 8,000</u>	<u>9,553,000</u>

PROJECT STATEMENT
(On basis of appropriation)

	: 1992	:	: 1993	:		:	: 1994
	: Actual	:	: Estimated	:	Increase	:	: Estimated
	: Staff-	:	: Staff-	:	or	:	: Staff-
<u>Item of Change</u>	<u>: Amount</u>	<u>: Years</u>	<u>: Amount</u>	<u>: Years</u>	<u>: Decrease</u>		<u>: Amount</u>
Public Affairs..	\$8,570,281	108	\$8,925,000	121	+\$150,000(1)		\$9,075,000
Intergov. Aff.	459,288	6	468,000	6	+10,000(2)		478,000
Unobligated	:	:	:	:	:		:
Balance.....	363,431	:	--	--	--		--
Total Appropri-	:	:	:	:	:		:
ation.....	<u>9,393,000</u>	<u>114</u>	<u>9,393,000</u>	<u>127</u>	<u>+160,000</u>		<u>9,553,000</u>

EXPLANATION OF PROGRAM

The appropriation for the Office of Public Affairs funds the activities established pursuant to the relevant sections of Secretary's Memorandum No. 1927, dated October 5, 1977, and the authority contained in 5 U.S.C. 301 and Reorganization Plan No. 2 of 1953 (7 U.S.C. 2201). The activities carried out are as follows:

--Public Affairs - Provides leadership, expertise, and counsel for the development of public affairs strategies which are vital to the overall formulation, awareness, and acceptance of U.S. Department of Agriculture programs and policies. Public Affairs serves as the principal USDA contact point for dissemination of consistent, timely information.

--Intergovernmental Affairs - Directs and coordinates programs involving the implementation of USDA policies and procedures applicable to the Department's intergovernmental affairs and relations with other Departments.

JUSTIFICATION OF INCREASES AND DECREASES

- (1) A net increase of \$150,000 for Public Affairs:
- (a) An increase of \$49,000, which reflects a 2.7 percent increase in non-salary costs.
- (b) An increase of \$158,000, which reflects the annualization of the fiscal year 1993 pay raise.
- (c) A decrease of \$56,000 for administrative efficiency.
- Need for change. To promote the efficient use of resources for administrative purposes, in keeping with the President's Executive Order, total USDA baseline outlays for these activities will be reduced by 3 percent in FY 1994, 6 percent in FY 1995, 9 percent in FY 1996 and 14 percent in FY 1997.
- Nature of change. To achieve the desired reduction, OPA will monitor the level of information support products in printing and visual services, and conduct a review of administrative support service charges.
- (d) A decrease of \$1,000 for FTS 2000 funding.
- This decrease reflects lower long distance telecommunications prices due to price redeterminations in the FTS 2000 contracts.
- (2) An increase of \$10,000 for Intergovernmental Affairs:
- (a) An increase of \$10,000 which reflects the annualization of the fiscal year 1993 pay raise.

GEOGRAPHIC BREAKDOWN OF OBLIGATIONS AND STAFF YEARS
1992, and estimated 1993 and 1994

	<u>1992</u>		<u>1993</u>		<u>1994</u>	
	<u>Amount</u>	<u>Staff Years</u>	<u>Amount</u>	<u>Staff Years</u>	<u>Amount</u>	<u>Staff Years</u>
Washington, D.C.	\$9,029,569	114	\$9,393,000	127	\$9,553,000	127
Unobligated balance	363,431	--	--	--	--	--
Total, Available or Estimate.....	<u>9,393,000</u>	<u>114</u>	<u>9,393,000</u>	<u>127</u>	<u>9,553,000</u>	<u>127</u>

OFFICE OF BUDGET AND PROGRAM ANALYSIS

Purpose Statement

The Office of Budget and Program Analysis coordinates the preparation of departmental budget estimates and legislative reports; administers systems for the allotment and apportionment of funds; provides policy, program and budgetary analysis of USDA programs and proposals; and provides staff assistance to USDA agencies in meeting their responsibilities for the development and review of regulations.

The Office of Budget and Program Analysis is located in Washington, D.C. As of September 30, 1992, there were 71 full-time permanent employees and one other than full-time permanent employee.

OFFICE OF BUDGET AND PROGRAM ANALYSIS

Available Funds and Staff-Years1992 Actual and Estimated, 1993 and 1994

	:	1992	:	1993	:	1994
	:	Actual	:	Estimated	:	Estimated
	:	:Staff-	:	:Staff-	:	:Staff-
Item	:	Amount	:Years	Amount	:Years	Amount :Years
Direct Appropriation...	:	\$6,149,000	: 70	\$5,756,000	: 76	\$5,853,000: 76

OFFICE OF BUDGET AND PROGRAM ANALYSIS

Permanent Positions by Grade and Staff-Year Summary1992 and Estimated 1993 and 1994

Grade	1992 Headquarters	1993 Headquarters	1994 Headquarters
ES-6.....	3	3	3
ES-5.....	2	2	2
GS/GM-15.....	8	8	8
GS/GM-14.....	19	20	20
GS/GM-13.....	17	18	18
GS-12.....	2	2	2
GS-11.....	4	3	3
GS-10.....	0	1	1
GS-9.....	4	3	3
GS-8.....	2	4	4
GS-7.....	7	6	6
GS-6.....	2	3	3
GS-5.....	2	2	2
GS-4.....	2	1	1
Total Permanent Positions.....	74	76	76
Unfilled Positions end-of-year.....	-3	0	0
Total, Permanent Employment, end-of-year	71	76	76
Staff-Years: Ceiling.....	70	76	76

OFFICE OF BUDGET AND PROGRAM ANALYSIS

CLASSIFICATION BY OBJECTS1992 and Estimated 1993 and 1994

	<u>1992</u>	<u>1993</u>	<u>1994</u>
Personnel Compensation:			
Headquarters	<u>\$3,979,373</u>	<u>\$4,420,000</u>	<u>\$5,853,000</u>
11 Total personnel compensation	3,979,373	4,420,000	4,505,000
12 Personnel benefits.....	546,730	650,000	663,000
13 Benefits for former personnel.....	<u>0</u>	<u>5,000</u>	<u>5,000</u>
Total pers. comp & benefits.....	<u>4,526,103</u>	<u>5,075,000</u>	<u>5,173,000</u>
Other Objects:			
21 Travel.....	14,666	17,000	17,000
22 Transportation of things....	43	--	--
23.3 Communications, utilities, and misc. charges.....	79,546	87,000	87,000
24 Printing.....	143,392	61,000	61,000
25 Other services.....	369,168	289,000	288,000
26 Supplies and materials.....	154,933	143,000	143,000
31 Equipment.....	<u>726,197</u>	<u>84,000</u>	<u>84,000</u>
Total other objects.....	<u>1,487,945</u>	<u>681,000</u>	<u>680,000</u>
Total direct obligations.....	<u>6,014,048</u>	<u>5,756,000</u>	<u>\$5,853,000</u>
<u>Position Data:</u>			
Average Salary, ES positions.....	\$109,640	\$113,649	\$114,140
Average Salary, GM/GS position...	\$52,787	\$54,250	\$55,413
Average Grade, GM/GS positions...	11.68	11.75	11.75

OFFICE OF BUDGET AND PROGRAM ANALYSIS

The estimates include appropriation language for this item as follows (new language underscored; deleted matter enclosed in brackets):

Office of Budget and Program Analysis

For necessary expenses of the Office of Budget and Program Analysis, including employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), of which not to exceed \$5,000 is for employment under 5 U.S.C. 3109, [\$5,756,000] \$5,853,000.

OFFICE OF BUDGET AND PROGRAM ANALYSIS

Appropriations Act, 1993.....	\$5,756,000
Budget Estimate, 1994.....	<u>5,853,000</u>
Increase in Appropriation.....	<u>+97,000</u>

SUMMARY OF INCREASES AND DECREASES

(On basis of appropriation)

<u>Item of Change</u>	<u>1993 Estimated</u>	<u>Pay Cost</u>	<u>Other Changes</u>	<u>1994 Estimated</u>
Budget and Program Analysis.....	<u>\$5,756,000</u>	<u>+\$98,000</u>	<u>-\$1,000</u>	<u>\$5,853,000</u>

PROJECT STATEMENT

(On basis of appropriation)

	: 1992	:	1993	:		:	1994
	: Actual	:	: Estimated	:	: Increase	:	: Estimated
	: Staff-	:	: Staff-	:	: or	:	: Staff-
	: Amount	: Years	: Amount	: Years	: Decrease	:	: Amount
	: Years	:	: Years	:		:	: Years
Budget and	:	:	:	:	:	:	:
Program	:	:	:	:	:	:	:
Analysis.....	\$6,014,048:	70	\$5,756,000:	76	+\$97,000(1):	\$5,853,000:	76
Unobligated	:	:	:	:	:	:	:
Balance.....	134,952:	:	:	:	:	:	:
Total Appropri-	:	:	:	:	:	:	:
ation.....	6,149,000:	70	5,756,000:	76	+97,000(1):	5,853,000:	76

Explanation of Program

The Office of Budget and Program Analysis provides direction and administration of the Department's budgetary functions including development, presentation, and administration of the budget; reviews program and legislative proposals for program and budget and related implications; analyzes program and resource issues and alternatives, and prepares summaries of pertinent data to aid Departmental policy officials and agency program managers in the decision-making process; provides Department-wide coordination for and participation in the presentation of budget related matters to the Committees of the Congress, the press, and the public. The Office also provides Department-wide coordination of the preparation and processing of the legislative program and legislative reports; provides Department-wide coordination and processing of regulations; and aids the Secretary and other Departmental agency officials in making management decisions regarding the Department's programs and resources.

JUSTIFICATION OF INCREASES AND DECREASES

(1) A net increase of \$97,000 consisting of:

- (a) An increase of \$17,000, which reflects a 2.7 percent increase in non-salary costs.
- (b) An increase of \$98,000, which reflects the annualization of the fiscal year 1993 pay raise.
- (c) A decrease of \$18,000 for administrative efficiency.

Need for Change. To promote the efficient use of resources for administrative purposes, in keeping with the President's Executive Order, total USDA baseline outlays for these activities will be reduced by 3 percent in FY 1994, 6 percent in FY 1995, 9 percent in FY 1996 and 14 percent in FY 1997.

Nature of Change. In order to achieve this savings, OBPA will reduce discretionary expenses such as--travel, training, supply purchases, printing and reproduction costs and telephone usage.

GEOGRAPHIC BREAKDOWN OF OBLIGATIONS AND STAFF YEARS
1992 and Estimated 1993 and 1994

	<u>1992</u>		<u>1993</u>		<u>1994</u>	
	<u>Amount</u>	<u>Staff- Years</u>	<u>Amount</u>	<u>Staff- Years</u>	<u>Amount</u>	<u>Staff- Years</u>
Washington, D.C.	\$6,014,048	70	\$5,756,000	76	\$5,853,000	76
Unobligated balance	134,952	--	--	--	--	--
Total, Available or Estimate	<u>6,149,000</u>	<u>70</u>	<u>5,756,000</u>	<u>76</u>	<u>5,853,000</u>	<u>76</u>

DECLARATION OF INTEREST AND CONFLICT OF INTEREST

Page 1 of 1

(1) I, the undersigned, declare that I am not a member of any organization that has a financial interest in the outcome of the proposed project.

(2) I, the undersigned, declare that I am not a member of any organization that has a financial interest in the outcome of the proposed project.

(3) I, the undersigned, declare that I am not a member of any organization that has a financial interest in the outcome of the proposed project.

(4) I, the undersigned, declare that I am not a member of any organization that has a financial interest in the outcome of the proposed project.

(5) I, the undersigned, declare that I am not a member of any organization that has a financial interest in the outcome of the proposed project.

(6) I, the undersigned, declare that I am not a member of any organization that has a financial interest in the outcome of the proposed project.

(7) I, the undersigned, declare that I am not a member of any organization that has a financial interest in the outcome of the proposed project.

(8) I, the undersigned, declare that I am not a member of any organization that has a financial interest in the outcome of the proposed project.

(9) I, the undersigned, declare that I am not a member of any organization that has a financial interest in the outcome of the proposed project.

(10) I, the undersigned, declare that I am not a member of any organization that has a financial interest in the outcome of the proposed project.

(11) I, the undersigned, declare that I am not a member of any organization that has a financial interest in the outcome of the proposed project.

(12) I, the undersigned, declare that I am not a member of any organization that has a financial interest in the outcome of the proposed project.

(13) I, the undersigned, declare that I am not a member of any organization that has a financial interest in the outcome of the proposed project.

(14) I, the undersigned, declare that I am not a member of any organization that has a financial interest in the outcome of the proposed project.

(15) I, the undersigned, declare that I am not a member of any organization that has a financial interest in the outcome of the proposed project.

OFFICE OF THE INSPECTOR GENERAL

Purpose Statement

Pursuant to the Inspector General Act of 1978, (5 U.S.C. app. 3), the Office of the Inspector General:

- (1) Provides policy direction and conducts, supervises and coordinates all audits and investigations;
- (2) reviews existing and proposed legislation and regulations and makes recommendations to the Secretary and Congress regarding the impact such initiatives will have on the economy and efficiency of the Department's programs and operations, and the prevention and detection of fraud, waste and mismanagement in such programs;
- (3) recommends policies for and conducts, supervises or coordinates other activities in the Department whose purposes are to promote economy and efficiency or prevent and detect fraud, waste and mismanagement;
- (4) recommends policies for and conducts, supervises or coordinates relationships between the Department and other Federal, State and local government agencies concerning: (a) promoting economy and efficiency; (b) preventing and detecting fraud, waste and mismanagement; and (c) identifying and prosecuting people involved in fraud, waste and mismanagement; and
- (5) keeps the Secretary and the Congress fully and currently informed about fraud, other serious problems, waste, mismanagement and deficiencies in Department programs and operations, recommends corrective action, and reports on the progress made in correcting the problem.

The Office of the Inspector General is headquartered in Washington, D.C., and has regional offices in the following cities: New York, New York; Hyattsville, Maryland; Atlanta, Georgia; Chicago, Illinois; Temple, Texas; Kansas City, Missouri; and San Francisco, California. As of September 30, 1992, total on-board employment was 889 including 873 full-time and 16 other employees. There were 238 employees located in metropolitan area and 651 located in the field.

OFFICE OF THE INSPECTOR GENERAL

Available Funds and Staff-Years1992 Actual and Estimated 1993 and 1994

Item	1992 Actual	Staff- Years	1993 Estimated	Staff- Years	1994 Estimated	Staff- Years
Office of the Inspector General.....	\$62,786,000	876	\$62,786,000	850	\$63,918,000	850
Obligations under other USDA appropriations:						
Food and Nutrition Service- Child and Audit Care Feeding Program.....	155,000	--	--	--	--	--
Commodity Credit Corporation- Audit of Financial Statements.....	723,000	--	752,000	--	783,000	--
Federal Crop Insurance Corporation- Audit of Financial Statements.....	208,000	--	216,000	--	225,000	--
Rural Electrification Administration- Audit of Financial Statements.....	210,340	--	233,000	--	242,000	--
Total, Other USDA Funds:	1,296,340	--	1,201,000	--	1,250,000	--
TOTAL, OIG.....	64,082,340	876	63,987,000	850	65,168,000	850

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OFFICE OF THE INSPECTOR GENERAL

Permanent Positions by Grade and Staff-Year SummaryFY 1992 and Estimated FY 1993 and 1994

Grade	1992			1993			1994		
	Hdqtrs	Field	Total	Hdqtrs	Field	Total	Hdqtrs	Field	Total
Executive	:	:	:	:	:	:	:	:	:
Level IV	1	0	1	1	0	1	1	0	1
ES 6	1	0	1	1	0	1	1	0	1
ES 4	5	0	5	6	0	6	6	0	6
ES 3	1	0	1	0	0	0	0	0	0
ES 2	2	0	2	1	0	1	1	0	1
GS/GM 15	15	14	29	15	14	29	15	14	29
GS/GM 14	33	37	70	33	37	70	33	37	70
GS/GM 13	39	136	175	39	136	175	39	136	175
GS-12	13	244	257	13	233	246	13	233	246
GS-11	12	60	72	12	57	69	12	57	69
GS-9	6	65	71	6	62	68	6	62	68
GS-8	3	3	6	3	3	6	3	3	6
GS-7	13	84	97	13	80	93	13	80	93
GS-6	7	34	41	7	32	39	7	32	39
GS-5	5	32	37	5	30	35	5	30	35
GS-4	2	9	11	2	8	10	2	8	10
GS-3	0	1	1	0	1	1	0	1	1
Total Permanent Positions....	158	719	877	157	693	850	157	693	850
Unfilled Positions	:	:	:	:	:	:	:	:	:
End-of-year..	0	0	0	0	0	0	0	0	0
Total, Permanent Employment, End-of-year..	158	719	877	157	693	850	157	693	850
Staff-Years Ceiling.....	158	718	876	157	693	850	157	693	850

OFFICE OF THE INSPECTOR GENERAL

CLASSIFICATION BY OBJECTS1992 and Estimated 1993 and 1994

Personnel Compensation:	<u>1992</u>	<u>1993</u>	<u>1994</u>
Headquarters.....	\$8,465,263	\$8,748,000	\$8,944,000
Field.....	<u>32,038,431</u>	<u>33,107,000</u>	<u>33,848,000</u>
11 Total personnel comp.....	40,503,694	41,855,000	42,792,000
12 Personnel benefits.....	9,246,505	9,482,000	9,707,000
13 Former personnel.....	<u>21,069</u>	<u>42,000</u>	<u>42,000</u>
Total personnel compensation benefits.....	<u>49,771,268</u>	<u>51,379,000</u>	<u>52,541,000</u>
Other Objects:			
21 Travel.....	5,721,902	5,500,000	5,500,000
22 Transportation of things.	270,362	225,000	224,000
23.2 Rental Payments to others	115,030	125,000	125,000
23.3 Communications, utilities, and misc. charges.....	808,236	1,475,000	1,450,000
24 Printing and reproduction	30,055	125,000	124,000
25.1 Consulting services.....	71,000	70,000	40,000
25.2 Other services.....	2,312,447	2,430,000	2,438,000
26 Supplies and materials...	761,861	625,000	622,000
31 Equipment.....	1,219,057	800,000	822,000
42 Insurance and indemnities	21,165	32,000	32,000
43 Interest and dividends...	<u>4,779</u>	<u>0</u>	<u>0</u>
Total other objects.....	<u>11,335,894</u>	<u>11,407,000</u>	<u>11,377,000</u>
Total direct obligations.....	<u>61,107,162</u>	<u>62,786,000</u>	<u>63,918,000</u>
	=====	=====	=====

Position Data:

Average Salary, ES positions...	\$104,000	\$108,000	\$109,000
Average Salary, GM/GS positions	\$46,000	\$49,000	\$49,000
Average Grade, GM/GS positions.	10.82	10.82	10.82

OFFICE OF THE INSPECTOR GENERAL

The estimate includes proposed changes in the language of this item as follows (new language underscored; deleted matter enclosed in brackets):

Office of the Inspector General

For necessary expenses of the Office of the Inspector General, including employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and the Inspector General Act of 1978 as amended, [\$62,786,000] \$63,918,000, including such items as may be necessary for contracting and other arrangements with public agencies and private persons pursuant to section 6(a)(8) of the Inspector General Act of 1978, as amended, and including a sum not to exceed \$50,000 for employment under 5 U.S.C. 3109; and including a sum not to exceed \$95,000 for certain confidential operational expenses including the payment of informants, to be expended under the direction of the Inspector General pursuant to Public Law 95-452 and section 1337 of Public Law 97-98.

OFFICE OF THE INSPECTOR GENERAL

SALARIES AND EXPENSES

Appropriations Act, 1993	\$62,786,000
Budget Estimate, 1994.	<u>63,918,000</u>
Increase in Appropriation.	<u>+1,132,000</u>
	=====

SUMMARY OF INCREASES AND DECREASES
(On basis of appropriation)

<u>Item of Change</u>	<u>1993 Estimated</u>	<u>Pay Cost</u>	<u>Other Changes</u>	<u>1994 Estimated</u>
Audit & Investigations	\$62,786,000	+\$1,162,000	-\$30,000	\$63,918,000

PROJECT STATEMENT
(On basis of appropriation)

	: 1992 Actual	: 1993 Estimated	: Increase	: 1994 Estimated
Project	: Amount : Staff:	: Actual : Staff:	: or	: Amount : Staff
	: Years:	: Years:	: Decrease	: Years
Audit and	:	:	:	:
Investigations:	\$61,107,162: 876	\$62,786,000: 850	(1):	63,918,000: 850
Unobligated...	1,678,838: --	--: --	--	--: --
Total,	:	:	:	:
Appropriation.:	62,786,000: 876	62,786,000: 850	+1,132,000	63,918,000: 850
	=====	=====		=====

EXPLANATION OF PROGRAM

This appropriation funds the activities authorized by the Inspector General Act of 1978 as amended. This Act expanded and provided specific authorities for the activities of the Office of the Inspector General which had previously been carried out under the general authorities of the Secretary of Agriculture. The Inspector General:

- Conducts and supervises audits and investigations relating to programs and operations of the Department of Agriculture;
- provides leadership and coordination and recommends policies for activities designed (a) to promote economy, efficiency, and effectiveness and (b) to prevent and detect fraud and mismanagement in programs and operations of the Department; and
- keeps the Secretary and the Congress fully informed about problems and deficiencies relating to the administration of such programs and operations and the necessity for and progress of corrective action.

The following table shows the audits, investigations, and staff-years for each area for fiscal year 1992.

<u>Area</u>	<u>Audits/ Cases</u>	<u>Staff-Years of Effort</u>
Audit	412	506
Investigations	<u>1,484</u>	<u>370</u>
Total	1,896	876

JUSTIFICATION OF INCREASES

(1) A net increase of \$1,132,000 consisting of:

- (a) An increase of \$309,000 which reflects a 2.7 percent increase in nonsalary costs.
- (b) An increase of \$1,162,000 which reflects the annualization of the fiscal year 1993 pay raise.
- (c) A decrease of \$323,000 for administrative efficiency.

Need for Change. To promote the efficient use of resources for administrative purposes, in keeping with the President's Executive Order, total USDA baseline outlays for these activities will be reduced by 3 percent in FY 1994, 6 percent in FY 1995, 9 percent in FY 1996 and 14 percent in FY 1997.

Nature of Change. In order to achieve this savings, OIG will carefully monitor the purchase of supplies and equipment, printing and reproduction costs, and other goods and services. Limits will be established on each internal organizational office to ensure the reductions are achieved.

- (d) A decrease of \$16,000 for FTS 2000 funding.

This decrease reflects lower long-distance telecommunication prices due to price determinations in the FTS 2000 contracts.

OFFICE OF THE INSPECTOR GENERAL
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS AND STAFF-YEARS

1992 and Estimated 1993 and 1994

	FY 1992		FY 1993		FY 1994	
Locations	Amount	Staff-Years	Amount	Staff-Years	Amount	Staff-Years
California	\$6,848,184	103	\$7,036,000	100	\$7,164,000	100
D.C.	12,775,203	158	13,126,000	157	13,363,000	157
Georgia	8,243,948	121	8,470,000	116	8,623,000	116
Illinois	6,579,457	106	6,760,000	102	6,880,000	102
Maryland	7,432,817	111	7,637,000	107	7,775,000	107
Missouri	10,203,105	152	10,484,000	147	10,673,000	147
New York	2,677,015	33	2,751,000	32	2,800,000	32
Texas	6,347,433	92	6,522,000	89	6,640,000	89
Subtotal, Available or Estimate ..	61,107,162	876	62,786,000	850	63,918,000	850
Unobligated Balance	1,678,838	--	--	--	--	--
Total, Available or Estimate ..	62,786,000	876	62,786,000	850	63,918,000	850

OFFICE OF THE INSPECTOR GENERAL

Passenger Motor Vehicles

The Fiscal Year 1994 Budget Estimate does not include the purchase of additional passenger vehicles.

The Office of Inspector General (OIG) owns 20 vehicles (16 vans, 2 small trucks, and 2 sedans). This figure includes a sedan and pickup truck which were seized and forfeited to the Government as the result of OIG investigations. Two vans were purchased and are being outfitted for surveillance purposes. The agency utilizes these vehicles for law enforcement activities during undercover operations to obtain evidence for prosecutions. OIG has installed specialized law enforcement equipment such as radios, cameras, and video equipment in these surveillance vehicles. Examples of these investigations include the controlled exchange of USDA Food Coupons for cash or contraband and observing and photographing meat plant slaughtering and selling dead or adulterated livestock to the public. OIG must have such operational capabilities and equipment to fulfill the statutory criminal investigative responsibilities specified in the Inspector General Act of 1978 and other related Congressional Acts.

Age and mileage data for passenger carrying vehicles on hand as of September 30, 1992 is listed below. No requests for additional vehicles are anticipated. These figures do not include vehicles leased from GSA or commercially leased under GSA approved contracts.

<u>Age-Year of Model</u>	<u>Age Data</u>		<u>Mileage Data</u>		
	<u>Number of Vehicles</u>	<u>% of Total</u>	<u>Lifetime Mileage</u> (thousands)	<u>Number of Vehicles</u>	<u>% of Total</u>
1988	2	100	80-100	1	50
			60-80	0	0
			40-60	<u>1</u>	<u>50</u>
				2	100%
				==	===

The first part of the report is a general statement of the purpose and scope of the study. It is followed by a description of the methods used in the study. The third part of the report is a description of the results of the study. The fourth part of the report is a discussion of the results of the study. The fifth part of the report is a conclusion.

The purpose of the study was to determine the effect of the treatment on the response of the subjects. The scope of the study was limited to the subjects who were assigned to the treatment group. The methods used in the study were the same as those used in the previous study. The results of the study showed that the treatment had a significant effect on the response of the subjects. The discussion of the results of the study showed that the treatment had a significant effect on the response of the subjects. The conclusion of the study was that the treatment had a significant effect on the response of the subjects.

The data		The data	
Group	Mean	Group	Mean
Control	1.00	Control	1.00
Treatment	1.50	Treatment	1.50
Control	1.00	Control	1.00
Treatment	1.50	Treatment	1.50
Control	1.00	Control	1.00
Treatment	1.50	Treatment	1.50
Control	1.00	Control	1.00
Treatment	1.50	Treatment	1.50
Control	1.00	Control	1.00
Treatment	1.50	Treatment	1.50

OFFICE OF THE GENERAL COUNSEL

Purpose Statement

The Office of the General Counsel, which, prior to 1955, was known as the Office of the Solicitor, was established in 1910 (70 Stat. 742) as the law office of the Department of Agriculture.

The Office provides all essential and necessary legal advice and services for the Department's ongoing programs. The headquarters legal staff is divided into four sections: (1) Regulatory and Marketing; (2) International Affairs, Commodity Programs and Food Assistance Programs; (3) Community Development and Natural Resources; and (4) Legislation, Litigation, Research and Operations.

Geographic Location. The work of this office is carried out in Washington, D.C., and five regions which include 22 offices as follows:

Southern Region:

Atlanta, Georgia
Hato Rey, Puerto Rico
Jackson, Mississippi
Montgomery, Alabama
Raleigh, North Carolina

Central Region:

Leawood, Kansas
Lincoln, Nebraska
Little Rock, Arkansas
Stillwater, Oklahoma
Temple, Texas

Mountain Region:

Denver, Colorado
Albuquerque, New Mexico
Missoula, Montana
Ogden, Utah

Pacific Region:

San Francisco, California
Juneau, Alaska
Portland, Oregon

Northern Region:

Harrisburg, Pennsylvania
Chicago, Illinois
Columbus, Ohio
Milwaukee, Wisconsin
Richmond, Virginia

As of September 30, 1992, the office had 406 employees of which 377 were permanent full-time employees and 29 were other employees. There were 178 permanent full-time employees and 9 other employees located in Washington, D.C., and 199 permanent full-time employees and 20 other employees in the field.

OFFICE OF THE GENERAL COUNSEL

Available Funds and Staff-Years1992 Actual and Estimated, 1993 and 1994

Item	: 1992	:	1993	:	1994	:
	: Actual	:	Estimated	:	Estimated	:
	: Amount	: Staff:	: Amount	: Staff:	: Amount	: Staff
	: Amount	: Years	: Amount	: Years	: Amount	: Years
Office of the General Counsel	\$24,554,000:	381 :	\$24,554,000:	352 :	\$25,045,000:	352 :
Allocation from:						
Hazardous Waste Management	595,007:	7 :	513,000:	7 :	492,000:	7 :
Obligations under other						
USDA appropriations:						
AMS	65,811:	1 :	83,000:	1 :	85,000:	1 :
FmHA	360,286:	4 :	821,000:	11 :	810,000:	11 :
FS	697,820:	9 :	1,516,000:	28 :	1,260,000:	15 :
AMS-User Fees	:	:	711,000:	13 :	926,000:	13 :
APHIS-User Fees	:	:	207,000:	4 :	325,000:	4 :
FGIS-User Fees	:	:	166,000:	3 :	123,000:	3 :
ASCS-User Fees	:	:	23,000:	1 :	34,000:	1 :
FSIS-User Fees	:	:	:	:	40,000:	1 :
Total, Other USDA						
Appropriations	1,123,917:	14 :	3,527,000:	61 :	3,603,000:	49 :
Total, Office of the						
General Counsel	26,272,924:	402 :	28,594,000:	420 :	29,140,000:	408 :

OFFICE OF THE GENERAL COUNSEL
Permanent Positions by Grade and Staff-Year Summary
1992 and Estimated 1993 and 1994

Grade	1992			1993			1994		
	Hdgrs	Field	Total	Hdgrs	Field	Total	Hdgrs	Field	Total
Executive									
Level IV	1	--	1	1	--	1	1	--	1
ES-6	2	--	2	2	--	2	2	--	2
ES-5	3	--	3	3	--	3	3	--	3
ES-4	6	1	7	6	1	7	7	1	8
ES-3	3	1	4	3	1	4	2	4	6
ES-2	--	3	3	--	3	3	1	0	1
ES-1	--	--	--	--	--	--	--	--	--
GS/GM-15	38	18	56	38	18	56	37	18	55
GS/GM-14	43	75	118	42	76	118	54	87	141
GS/GM-13	20	13	33	20	13	33	26	14	40
GS-12	17	14	31	19	14	33	17	5	22
GS-11	11	5	16	19	7	26	2	1	3
GS-10	--	--	--	--	--	--	1	--	1
GS- 9	8	13	21	8	14	22	5	13	18
GS- 8	10	9	19	10	9	19	10	8	18
GS- 7	9	20	29	9	21	30	11	24	35
GS- 6	9	17	26	9	17	26	8	15	23
GS- 5	3	22	25	3	22	25	4	20	24
GS- 4	4	7	11	4	8	12	1	6	7
GS- 3	--	--	--	--	--	--	--	--	--
GS- 2	--	--	--	--	--	--	--	--	--
Other Graded Positions	--	--	--	--	--	--	--	--	--
Ungraded Positions	--	--	--	--	--	--	--	--	--
Total Permanent Positions	187	218	405	196	224	420	192	216	408
Unfilled Positions, end-of-year	-9	-19	-28	--	--	--	--	--	--
Total Permanent Employment, end-of-year	178	199	377	196	224	420	192	216	408
Staff-Years Ceiling	187	215	402	196	224	420	192	216	408

OFFICE OF THE GENERAL COUNSEL

CLASSIFICATION BY OBJECTS1992 and Estimated 1993 and 1994

	<u>1992</u>	<u>1993</u>	<u>1994</u>
Personnel Compensation:			
Headquarters	\$10,057,487	\$9,357,239	\$ 9,546,079
Field	<u>8,838,173</u>	<u>9,561,627</u>	<u>9,741,324</u>
11 Total Personnel Compensation	18,895,660	18,918,866	19,287,403
12 Personnel Benefits	3,535,764	3,522,138	3,678,826
13 Benefits for former personnel	-0-	11,771	11,771
Total Pers. Comp. & Benefits	<u>22,431,424</u>	<u>22,452,775</u>	<u>22,978,000</u>
Other Objects:			
21 Travel	178,233	222,800	220,816
22 Transportation of things	7,035	10,000	7,000
23 Communications, utilities and other rent	669,018	729,828	697,411
24 Printing and reproduction ...	30,369	29,412	28,668
25 Other services	576,959	556,315	542,231
26 Supplies and materials	415,805	438,437	458,515
31 Equipment	215,660	114,433	112,359
43 Interest Penalty	1,271	- -	- -
44 Refunds	<u>-1,774</u>	<u>- -</u>	<u>- -</u>
Total Other Objects	<u>2,092,576</u>	<u>2,101,225</u>	<u>2,067,000</u>
Total Direct Obligations	<u>24,524,000</u>	<u>24,554,000</u>	<u>25,045,000</u>

Position Data:

Average Salary, ES positions	\$102,792	\$105,785	\$106,230
Average Salary, GM/GS positions	\$44,058	\$46,393	\$48,084
Average Grade, GM/GS positions	11.27	11.23	11.48

OFFICE OF THE GENERAL COUNSEL

The estimates include appropriation language for this item as follows (new language underscored; deleted matter enclosed in brackets):

Office of the General Counsel:

For necessary expenses of the Office of the General Counsel, [\$24,554,000].
\$25,045,000

SALARIES AND EXPENSES

Appropriations Act, 1993	\$24,554,000
Budget Request, 1994	<u>25,045,000</u>
Increase in Appropriation	<u>+491,000</u>

SUMMARY OF INCREASES AND DECREASES
(On basis of appropriation)

<u>Item of Change</u>	<u>1993</u> <u>Estimated</u>	<u>Pay Cost</u>	<u>Other</u> <u>Changes</u>	<u>1994</u> <u>Estimated</u>
Legal Services..	<u>\$24,554,000</u>	<u>+\$502,000</u>	<u>-\$11,000</u>	<u>\$25,045,000</u>

PROJECT STATEMENT
(On basis of appropriation)

	: 1992	:	: 1993	:	:	: 1994
	: <u>Actual</u>	:	: <u>Estimated</u>	: Increase	:	: <u>Estimated</u>
	: :Staff:	:	: :Staff:	: or	:	: :Staff:
<u>Project</u>	: <u>Amount</u>	: <u>Years</u>	: <u>Amount</u>	: <u>Years</u>	: <u>Decrease</u>	: <u>Amount</u>
Legal Services	: \$24,524,000:	: 381 :	: \$24,554,000:	: 352 :	: +491,000 :	: \$25,045,000:
Unobligated	: :	: :	: :	: :	: :	: :
balance	: 30,000:	: :	: :	: :	: :	: :
Total,	: :	: :	: :	: (1) :	: :	: :
Appropriation	: <u>\$24,554,000:</u>	: 381 :	: <u>\$24,554,000:</u>	: 352 :	: <u>+491,000</u> :	: <u>\$25,045,000:</u>
						: 352

EXPLANATION OF PROGRAM

The General Counsel is the chief law officer of the Department and is responsible for providing legal services for all programs, operations, and activities of the Department. The General Counsel is assisted by a Deputy General Counsel and four Associate General Counsels, each of whom is responsible for a portion of the legal work of the Department. The functions of this Office are performed in the Washington office and five regions which include five regional and 17 branch offices. The Law Library was transferred from the National Agricultural Library to OGC in 1982.

The field offices handle legal work relating primarily to the activities of the Agricultural Stabilization and Conservation Service, Agricultural Marketing Service, Commodity Credit Corporation, Farmers Home Administration, Federal Crop Insurance Corporation, Forest Service, Rural Development Administration, Soil Conservation Service, and the Food and Nutrition Service. By delegation of the General Counsel, legal work relating to other programs and activities of the Department may be handled by a field office.

Legal Advice. The Office of the General Counsel issues both formal and informal opinions on legal questions arising in the administration of the Department's programs; prepares or reviews administrative rules and

regulations applicable to the public; drafts proposed legislation; prepares or interprets contracts, mortgages, leases, deeds, and similar documents; prepares patent applications arising out of inventions by Department employees; and considers and determines claims by and against the United States arising out of the Department's activities.

Administrative Proceedings. The Department is represented by the General Counsel in administrative proceedings for the promulgation of rules having the force and effect of law and in quasi-judicial hearings held in connection with the administration of various USDA programs.

Civil Litigation. Civil litigation arising out of the Department's work is handled by the Department of Justice, with attorneys of the Office of the General Counsel assisting in the preparation and trial of such cases. The General Counsel represents the Secretary in administrative proceedings before the Interstate Commerce Commission involving freight rates on farm commodities and in appeals from the decisions of the Commission to the courts. By delegation, the Associate General Counsel for Legislation, Litigation, Research and Operations represents the Department in certain classes of cases before the United States Courts of Appeals.

Criminal Litigation. Criminal cases are reviewed for the purpose of referring them to the Department of Justice.

JUSTIFICATION OF INCREASES AND DECREASES

(1) An increase of \$491,000 for the Office of the General Counsel consisting of:

- (a) An increase of \$55,000 which reflects a 2.7 percent increase in non-salary costs.
- (b) An increase of \$502,000 which reflects the annualization of the fiscal year 1993 pay raise.
- (c) A decrease of \$59,000 for administrative efficiency.

Need for Change. To promote the efficient use of resources for administrative purposes, in keeping with the President's Executive Order, total USDA baseline outlays for these activities will be reduced by 3 percent in FY 1994, 6 percent in FY 1995, 9 percent in FY 1996 and 14 percent in FY 1997.

Nature of Change. In order to achieve this savings, OGC will reduce supply purchases and printing and reproduction services. OGC will also closely monitor contractual services, utility and communication charges and reduce travel.

- (d) A decrease of \$7,000 for FTS 2000 funding.

This decrease reflects lower long distance telecommunications prices due to price redeterminations in the FTS 2000 contracts.

Office of the General Counsel
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS AND STAFF-YEARS
1992 and Estimated 1993 and 1994

	<u>1992</u>		<u>1993</u>		<u>1994</u>	
	<u>Amount</u>	<u>Staff Years</u>	<u>Amount</u>	<u>Staff Years</u>	<u>Amount</u>	<u>Staff Years</u>
Alabama.....	\$ 276,139	6	\$ 293,187	6	\$ 298,294	6
Alaska.....	220,556	4	242,150	4	245,369	4
Arkansas.....	658,329	12	719,506	12	731,221	12
California.....	1,143,436	19	1,297,232	20	1,315,555	21
Colorado.....	861,809	15	910,726	15	924,329	15
District of Columbia...	13,548,629	178	12,892,079	151	13,203,701	149
Georgia.....	1,343,225	25	1,317,732	24	1,339,831	24
Illinois.....	509,666	10	546,933	10	555,816	10
Kansas.....	817,294	14	863,864	14	876,523	14
Mississippi.....	199,511	4	155,177	4	158,396	4
Montana.....	466,049	8	435,650	8	442,645	8
Nebraska.....	199,210	4	202,579	4	205,798	4
New Mexico.....	255,515	5	317,867	5	322,974	5
North Carolina.....	184,965	4	188,702	4	191,921	4
Ohio.....	200,561	4	215,720	4	218,939	4
Oklahoma.....	261,715	5	237,781	4	241,000	4
Oregon.....	780,921	14	887,680	14	900,339	15
Pennsylvania.....	710,386	12	748,716	12	759,487	12
Puerto Rico.....	214,980	5	184,319	4	187,538	4
Texas.....	579,417	12	690,145	12	700,916	12
Utah.....	331,882	6	362,558	6	367,665	6
Virginia.....	199,207	4	222,231	4	225,450	4
Wisconsin.....	560,598	11	621,466	11	631,293	11
Subtotal, Available or Estimate.....	24,524,000	381	24,554,000	352	25,045,000	352
Unobligated balance ...	30,000	--	--	--	--	--
Total, Available or Estimate.....	<u>24,554,000</u>	<u>381</u>	<u>24,554,000</u>	<u>352</u>	<u>25,045,000</u>	<u>352</u>

ALTERNATIVE AGRICULTURAL RESEARCH AND COMMERCIALIZATION

Purpose Statement

The Alternative Agricultural Research and Commercialization Act of 1990 (7 U.S.C. 5901 et seq.) authorized the provision of assistance on a competitive basis to foster the development and commercialization of new nonfood, nonfeed products derived from agricultural and forestry commodities. Development of nontraditional uses for farm, ranch and forestry products provides an opportunity to improve U.S. competitiveness in foreign markets, create development and employment opportunities in rural areas, address environmental concerns and lower farm program costs. Programs are managed by the Alternative Agricultural Research and Commercialization Center which was established by the Secretary of Agriculture on March 18, 1992. Program policy and oversight is provided by a Board which is composed of Federal and private sector scientists, producers, and business experts. As of September 30, 1992, there were three full-time employees.

ALTERNATIVE AGRICULTURAL RESEARCH AND COMMERCIALIZATION (AARC)

Available Funds and Staff-Years

1992 Actual and Estimated, 1993 and 1994

Item	1992 Actual	Staff: Years	1993 Estimated	Staff: Years	1994 Estimated	Staff: Years
AARC	\$4,500,000	2	\$7,250,000	7	\$20,000,000	7
Obligations under other USDA:						
appropriations:						
Anticipated reimbursements ..	- -		200,000		200,000	
Total, Other USDA Appropriations	- -		200,000		200,000	
Total, Agriculture Appropriations	4,500,000	2	7,450,000	7	20,200,000	7
Total, AARC	4,500,000	2	7,450,000	7	20,200,000	7

	1992 Actual	1993 Estimated	1994 Estimated
Full-Time Equivalent Staff-Years:			
Ceiling	2	7	7

ALTERNATIVE AGRICULTURAL RESEARCH AND COMMERCIALIZATION

Permanent Positions by Grade and Staff-Year Summary

1992 and Estimated 1993 and 1994

Grade	1992			1993			1994		
	Hdqtrs	Field	Total	Hdqtrs	Field	Total	Hdqtrs	Field	Total
Executive Level IV:	1	-	1	1	-	1	1	-	1
GS/GM-15	-	-	-	1	-	1	1	-	1
GS/GM-14	1	-	1	-	-	-	-	-	-
GS/GM-13	-	-	-	-	2	2	-	2	2
GS-11	-	-	-	1	-	1	1	-	1
GS-9	1	-	1	1	-	1	1	-	1
GS-6	-	-	-	1	-	1	1	-	1
Total Permanent Positions	3	-	3	5	2	7	5	2	7
Unfilled Positions: end-of-year	-	-	-	-	-	-	-	-	-
Total, Permanent Employment, end-of-year	3	-	3	5	2	7	5	2	7
Staff-Years: Ceiling	2	-	2	5	2	7	5	2	7

ALTERNATIVE AGRICULTURAL RESEARCH AND COMMERCIALIZATION

CLASSIFICATION BY OBJECTS

1992 and Estimated 1993 and 1994

	1992	1993	1994
Personnel Compensation:			
Headquarters	\$94,238	\$254,000	\$260,000
Field	- -	96,000	100,258
11 Total Personnel Compensation.....	94,238	350,000	360,258
12 Personnel Benefits	6,407	70,000	74,285
13 Benefits for former personnel	- -	- -	- -
Total Pers. Comp. & Benefits .	100,645	420,000	434,543
Other Objects:			
21 Travel	37,184	70,000	191,000
22 Transportation of things	19	1,000	2,000
23.3 Communications, utilities & miscellaneous charges	2,164	15,100	15,100
24 Printing and reproduction.	0	12,000	12,000
25.1 Consulting.....	0	6,000	15,000
25.2 Other services	93,121	321,022	1,811,857
26 Supplies and materials ...	7,933	3,500	3,500
31 Equipment	7,812	15,000	15,000
41 Grants, subsidies and contributions	97,812	10,539,688	17,500,000
Total other objects.....	246,045	10,983,310	19,565,457
Total direct obligations	346,690	11,403,310	20,000,000

Position Data:

Average Salary, GM/GS positions	\$45,691	\$41,623	\$41,623
Average Grade, GM/GS positions	11.50	11.17	11.17

ALTERNATIVE AGRICULTURAL RESEARCH AND COMMERCIALIZATION

The estimates include proposed changes in the language of this item as follows (new language underscored; deleted matter enclosed in brackets):

ALTERNATIVE AGRICULTURAL RESEARCH AND COMMERCIALIZATION

For necessary expenses to carry out the Alternative Agricultural Research and Commercialization Act of 1990 (7 U.S.C. 5901-5908), [\$7,250,000]
\$20,000,000 is appropriated to the Alternative Agricultural Research and Commercialization Revolving Fund.

ALTERNATIVE AGRICULTURAL RESEARCH AND COMMERCIALIZATION (AARC)

Appropriations Act, 1993	\$7,250,000
Budget Request, 1994	20,000,000

Increase in Appropriations	+12,750,000
	=====

SUMMARY OF INCREASE

Item of Change	1993 Estimated	Pay Costs	Other Changes	1994 Estimated
-----	-----	-----	-----	-----
AARC	\$7,250,000	+\$22,000	+\$12,728,000	\$20,000,000

PROJECT STATEMENT
(On the basis of available funds)

Item	1992 Actual Amount	Staff Years	1993 Estimated Amount	Staff Years	Increase	1994 Estimated Amount	Staff Years
-----	-----	-----	-----	-----	-----	-----	-----
1. AARC	\$346,690	2	+\$11,403,310	7	+\$8,596,690	\$20,000,000	7
Total obligations ..	346,690	2	+11,403,310	7	+8,596,690	20,000,000	7
Unobligated Balances Available:							
Start of year:	- -		-4,153,310		+4,153,310	- -	
End of year..	+4,153,310		- -		- -	- -	
Total, Appropriations:	4,500,000	2	+7,250,000	7	+12,750,000	20,000,000	7
	=====		=====		=====	=====	

EXPLANATION OF PROGRAM

Funds were appropriated for the Alternative Agricultural Research and Commercialization (AARC) program into the AARC Revolving Fund. The Revolving Fund will also contain fees and royalties, donations and other funds received by AARC. Funds support the development and commercialization of new industrial and consumer products and uses for agricultural and forestry materials, with preference for projects that benefit rural communities and are environmentally friendly. Development and commercialization of new commodities will: result in new products for consumers and new markets for farmers; enhance the marketability and economic viability of industrial products in global markets; bridge development and marketing efforts among manufacturers, private and government laboratories, universities, and financiers; facilitate and broker the exchange of information about projects that use agricultural and forestry materials in industrial products; and impact economic development in rural areas and create new jobs. Pre-proposals have been solicited that focus on products/processes from the following material categories: Starches/Carbohydrates, Fats and Oils, Fibers, Forest Materials, Animal Products, and Other Plant Materials used as pharmaceuticals, fine chemicals, encapsulation agents and rubber.

Support may be provided through competitively awarded grants, contracts and cooperative agreements. Ultimate commercial interest in projects is assured through private sector representation on the AARC Board and project selection criteria that require the matching of funds and incorporate the sharing of resources and risks (cash and expertise). AARC programs complement research on new uses conducted by the Agricultural Research Service and the Forest Service at Federal labs and grant programs managed by the Cooperative State Research Service.

JUSTIFICATION OF INCREASES AND DECREASES

- (1) A net increase of \$12,750,000 for activities of the Alternative Agricultural Research and Commercialization (AARC) Center.

- (a) An increase of \$184,000 which reflects a 2.7 percent increase in non-salary costs.
- (b) An increase of \$22,000 which reflects the annualization of the fiscal year 1993 pay raise.
- (c) A decrease of \$13,000 for administrative efficiency.

Need for Change. To promote the efficient use of resources for administrative purposes, in keeping with the President's Executive Order, total USDA baseline outlays for these activities will be reduced by 3 percent in fiscal year 1994, 6 percent in fiscal year 1995, 9 percent in fiscal year 1996, and 14 percent in fiscal year 1997.

Nature of Change. In order to achieve this savings, the AARC Center will carefully monitor supply and equipment purchases, printing and reproduction costs, and travel costs.

- (d) An increase of \$12,557,000 for activities of the Alternative Agricultural Research and Commercialization Center (\$7,250,000 available in 1993).

Need for Change. U.S. agriculture has done a marvelous job of producing quality food and fiber at a reasonable cost for both domestic and foreign markets. But it has become a victim of its own success. Over the last three decades the U.S. had acreage reductions/supply controls in place three out of four years with an average of 40 million acres idle out of a 400 million acre cropland base. During the 1980s, USDA paid producers \$50 to \$200 per acre - depending on the year and program - to idle acreage. The bill totaled over \$20 billion in some years and averaged \$13 billion per year for the decade. For fiscal year 1992, the commodity program costs were about \$12 billion, which does not include export credit guarantees or the export enhancement program.

There is an alternative to this continual outlay of taxpayer dollars to prop up the economic well-being of American agriculture. Renewable materials produced on our nation's farms can satisfy more than just food and fiber needs. They can satisfy a vast array of industrial markets from degradable polymers (plastic substitutes) and oxygenated fuels to lubricants' coatings, and annual fiber crops that can compete with synthetics for many uses and that generally are more environmentally friendly. Many of the over 200 testimonies received by the Board at eight public hearings called for actions in the pre-commercial areas --beyond where public research organizations typically carry their work.

A number of factors have come together to make the use of farm and forest materials in industrial uses more viable in the 90's. They include:

- More efficient technologies for processing and manufacturing, i.e. with biotechnology, continuous fermentation and chemical catalytical process.
- Environmental and regulatory requirements for clean air and water, landfill alternatives, disposability, and renewability.
- Availability of skilled labor and resources in rural America.
- Increased pressure to reduce agricultural subsidies.

The challenge today is not a shortage of promising ways to convert renewable materials into useful products, but the lack of support for bringing them far enough along to reduce risk and attract private investment. Based on Department of Commerce studies and private sector experience, for every dollar spent in a lab on research for a project, ten dollars are required to develop the research, and a hundred dollars are required to bring production on line.

These pre-commercial development activities include:

- identifying market needs;
- designing equipment;
- testing products for performance and consumer acceptance;
- obtaining regulatory clearance;
- scaling prototype equipment up to commercialize size;
- conducting pre-commercial runs; and
- developing technical, cost, price, and other economic data for financial institutions.

Closing this gap between research results and commercial markets is the primary goal of AARC. It is done by: forming private/public pre-commercial partnerships to bring new products or processes to market; reducing risks and expediting products to the marketplace thereby increasing return on research investments; having the private sector take the lead; developing a

portfolio of long-/short-term projects with an initial mix providing significant sales within three to five years; and collecting revenues from successful projects and reinvesting these funds in other projects.

Key differences exist between the AARC Center's mission and operations and those of other USDA agencies. For the AARC Center:

1. Private sector determines activities through the Board of Directors and business involvement in review of proposals.
2. Mission is not research per se, but bridging the gap between research advances and products penetrating the market.
3. Risks are shared through partnerships and the AARC Center invest with the partner financially.
4. Complements ARS, CSRS, and university research by providing a vehicle to expedite advances to the marketplace-- "penned up" demand exists for the program.
5. Authorized to work with any legal entity, by placing emphasis on small firms and entrepreneurs, to provide assistance to move products into the marketplace and the legislation authorizes use of loans to move a new product or process into the marketplace.

Nature of Change. The 1990 Food, Agriculture, Conservation, and Trade Act authorized the AARC Center and in March 1992, a nine person board was appointed to provide policy and program direction. All except one of the board members are non-federal, representing commercial, financial, producer and scientific interests. Initially, eight public hearings were held to obtain input before contemplating policy and program decisions. The Board heard from more than 200 individuals and organizations in Iowa, Georgia, New Jersey, Oregon, California, Minnesota, Kansas, and Texas. Witnesses testified that many rural communities need an economic "shot in the arm" and that new industrial, non-food, non-feed uses of agricultural materials can help provide that medicine. They suggested that the AARC Center should be a catalyst, a coordinator and a facilitator for finding new industrial uses for traditional and new crops, animal by-products, and forestry materials. Themes that were replayed throughout the hearings included: operate like a business; maintain independence; keep the application process simple; leverage your resources; and see yourself as an economic development organization.

On August 17, 1992, the Federal Register listed the first request for pre-proposals. In this initial request, the AARC Center received 407 proposals with total budgets of \$448 million of which \$175 million competed for the \$10 million currently available from the Center (2.5 to 1 leveraging of Federal dollars). Based upon reviews already conducted, at least half of these projects have merit. In March 1993 the Board reviewed 48 full proposals requesting \$30 million.

One of the Board's key criteria is how fast a product can be brought to the marketplace. Many of the proposed products can reach the market within a few years if the applicant is provided the risk capital that is not available from the private sector, especially for new products being introduced by small entrepreneurial firms. Many examples of the type of products could be provided. Illustrative are these:

New Stone. A product that uses equal portions of soybean and used newsprint to make a material that looks like polished granite, but can be readily worked with woodworking equipment.

Automotive Windshield Washer. Would replace methanol from petroleum with ethanol made from renewable materials.

Starch Base Polymers. From corn, wheat, and potatoes for non-recyclable, disposable plastic items such as food packaging, personal care items, and medical products.

Chemicals including Ethanol from Cellulosic Material. Proprietary technology to convert cellulose material such as grass straw (previously disposed of by open field burning) and soil conserving perennial grass crops that can provide farmers an economical, sustainable option when land in the Conservation Reserve Acreage comes out of the government rent program beginning in 1995.

Funds will support development of new products from agricultural materials. Availability of new tools, such as biotechnology, advanced process engineering techniques, super critical fluid technology, computer-aided process design, selective separations technologies, innovative use of catalysts, in-situ polymerization, and chemical release controls offer significant opportunity for the development of novel products to meet consumer and industrial demand in domestic and foreign markets. Economic analysis will indicate market opportunities as well as potential agricultural and national benefits. Funds will be allocated consistent with policies and procedures established in the legislation and by the AARC Board.

The AARC Board of Directors will implement the regional administrative centers called for in the 1990 Farm Bill. The legislation does not allow any AARC funds to be used for construction. It is planned to:

1. Distribute funding so that approximately 20 percent of the funding is for technology with biofuels and 80 percent for technology for other industrial uses of farm and forest products.
2. Begin with two Regional Centers in fiscal year 1993.
3. Tie in with existing entities at the state level such as Rural Development or Economic Development Centers.
4. Keep operating costs at each of these centers between \$100,000 and \$200,000. The host institution must match funds from the Federal government to operate the center.
5. Conduct Regional Center Activities:
 - establish an Advisory Council composed of processors, marketers, producers, scientists, and financial interests.
 - have the Advisory Council recommend the best opportunities to commercialize new non-food, non-feed products that will contribute to economic growth in the rural areas of the region.
 - make recommendations on which regional projects should be funded after going through a competitive review process in evaluating market opportunities and agricultural and national benefits -- as designed by the AARC Board.

AGRICULTURAL RESEARCH SERVICE

Purpose Statement

The Agricultural Research Service was established on November 2, 1953, pursuant to authority vested in the Secretary of Agriculture by 5 U.S.C. 301 and Reorganization Plan No. 2 of 1953, and other authorities.

The research performed by the Agricultural Research Service (ARS) is authorized by the Department of Agriculture Organic Act of 1862 (7 U.S.C. 2201, 2204), the Research and Marketing Act of 1946, as amended (7 U.S.C. 427, 1621), the Food and Agriculture Act of 1977, as amended (7 U.S.C. 1281 note), the Food Security Act of 1985 (7 U.S.C. 3101 note), and the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 1421 note).

The Agricultural Research Service is responsible for conducting mission-oriented research on:

- Soil, Water and Air Sciences
- Plant Sciences
- Animal Sciences
- Commodity Conversion and Delivery
- Human Nutrition
- Integration of Agricultural Systems

The research applies to a wide range of goals; commodities; natural resources; fields of science; and geographic, climatic and environmental conditions.

As the U.S. Department of Agriculture's in-house agricultural research agency, ARS has major responsibilities for conducting and leading the national agricultural research effort. ARS provides initiative and leadership in five areas:

- * Research on broad regional and national problems.
- * Research to support Federal action and regulatory agencies.
- * Expertise to meet national emergencies.
- * Research support for international programs.
- * Scientific resource to the Executive Branch and Congress.

The mission of ARS research is to develop new knowledge and technology which will insure an abundance of high quality agricultural commodities and products at reasonable prices to meet the increasing needs of an expanding economy and to provide for the continued improvement in the standard of living of all Americans. This mission focuses on the development of technical information and technical products which bear directly on the needs to (1) manage and use the Nation's soil, water, air, and climatic resources, and improve the Nation's environment; (2) provide an adequate supply of agricultural products by practices that will maintain a permanent and effective agriculture; (3) improve the nutrition and well-being of the American people; (4) improve living in rural America; and (5) strengthen the Nation's balance of payments.

Research is conducted at numerous field locations in the States, District of Columbia, Puerto Rico, the Virgin Islands, and in several foreign countries. Much of the work is conducted in direct cooperation with the State agricultural experiment stations, other State and Federal agencies, and private organizations.

Central offices of ARS are in the Washington, D.C. Metropolitan Area. The field activities are managed on a national basis through 8 Area Offices. Activities are carried out at 122 separate field locations. As of September 30, 1992, there were 6,902 full-time employees and 2,109 other than full-time employees. Of the total, 496 full-time employees and 26 other than full-time employees worked in the headquarters office.

AGRICULTURAL RESEARCH SERVICE

Available Funds and Staff-Years

1992 Actual and Estimated, 1993 and 1994						
Item	1992 Actual Amount	Staff- Years	1993 Estimated Amount	Staff- Years	1994 Estimated Amount	Staff- Years
Direct Appropriation:						
Agricultural						
Research Service....	\$660,781,000	8,169	\$660,667,000	7,992	\$675,951,000	7,955
Buildings and						
Facilities.....	65,564,000	--	34,514,000	- -	24,587,000	
Total, Appropriation..	726,345,000	8,169	695,181,000	7,992	700,538,000	7,955
Deduct Allotments to						
Other Agencies:						
Forest Service.....	-357,686	- -	-361,000	- -	-361,000	--
Net.....	725,987,314	8,169	694,820,000	7,992	700,177,000	7,955
Allocations from:						
Hazardous Waste Mgmt.	5,209,691	--	1,698,000	--	1,248,000	--
Reimbursement from						
other USDA						
Appropriations:						
Agricultural						
Marketing Service....	207,896	1	208,000	1	204,000	1
Animal and Plant						
Health Inspection						
Service.....	8,411,721	56	8,412,000	56	8,268,000	50
Federal Grain						
Inspection Service..	532,697	2	533,000	2	524,000	2
National Agricultural						
Library.....	424,324	2	424,000	2	417,000	1
Forest Service.....	1,177,404	3	1,177,000	3	1,157,000	3
Food Safety and						
Inspection Service..	1,841,550	3	1,842,000	3	1,811,000	3
Extension Service ...	97,585	1	98,000	1	96,000	1
Office of Energy	56,583	1	57,000	1	56,000	1
Office of Interna-						
tional Cooperation						
and Development.....	605,656	2	606,000	2	596,000	2
Soil Conservation						
Service.....	496,109	2	496,000	2	488,000	2
Cooperative State						
Research Service....	287,764	1	288,000	1	283,000	1
Miscellaneous						
Reimbursements.....	106,936	1	859,000	1	844,000	1
Total, Other USDA						
Funds.....	19,455,916	75	16,698,000	75	15,992,000	68
Total, Agriculture						
Appropriations.....	745,443,230	8,244	711,518,000	8,067	714,921,000	8,023
Other Federal Funds:						
Department of Defense:	1,255,954	4	1,256,000	4	1,231,000	3
Department of Energy..	481,803	2	482,000	2	473,000	2
Department of Health						
and Human Services..	1,422,187	4	1,422,000	4	1,394,000	4
Department of						
Interior.....	1,002,464	3	1,002,000	3	982,000	2
Department of						
State.....	522,387	2	522,000	2	512,000	2
Environmental						
Protection Agency....	1,764,788	4	1,765,000	4	1,730,000	4
Nat'l Aeronautics &						
Space Administration:	165,571	1	166,000	1	163,000	1

Available Funds and Staff-Years

1992 Actual and Estimated, 1993 and 1994						
Item	1992 Actual		1993 Estimated		1994 Estimated	
	Amount	Staff-Years	Amount	Staff-Years	Amount	Staff-Years
Other Federal Funds						
(continued)						
Miscellaneous						
Reimbursement.....	99,095:	1:	385,000:	1:	378,000:	1
Total, Other Federal Funds.....	6,714,249:	21:	7,000,000:	21:	6,863,000:	19
Non-Federal Funds:						
State of California..	330,276:	2:	330,000:	2:	315,000:	2
Binational Agriculture Research & Development Agreement (BARD)...	464,246:	3:	464,000:	3:	442,000:	2
Quarters and Subsistence.....	190,931:	1:	191,000:	1:	182,000:	1
North Carolina State University	148,628:	1:	149,000:	1:	142,000:	1
Cotton Inc.	142,268:	1:	142,000:	1:	135,000:	1
Florida Department of Natural Resources ..	237,562:	1:	238,000:	1:	227,000:	1
Florida Department of Environment Regulation.....	100,001:	1:	100,000:	1:	95,000:	1
Texas A&M Univ.Agric. Experiment Station	117,599:	1:	118,000:	1:	113,000:	1
Miscellaneous Reimbursement.....	1,465,148:	3:	2,268,000:	3:	2,162,000:	3
Total, Non-Federal Funds.....	3,196,659:	14:	4,000,000:	14:	3,813,000:	13
Miscellaneous Contributed Funds..	8,359,132:	53:	7,645,000:	48:	7,428,000:	45
Total, Agricultural Research Service.....	763,713,270:	8,332:	730,163,000:	8,150:	734,273,000:	8,100

Agricultural Research Service

Permanent Positions by Grade and Staff-Year Summary
1992 Actual and Estimated 1993 and 1994

Grade	1992 Actual			1993 Estimate			1994 Estimate		
	Hdqtrs	Field	Total	Hdqtrs	Field	Total	Hdqtrs	Field	Total
ES-6	1	--	1	1	--	1	1	--	1
ES-5	6	7	13	6	7	13	6	7	13
ES-4	1	12	13	1	12	13	1	12	13
ES-3	1	4	5	1	4	5	1	4	5
ES-2	--	2	2	--	2	2	--	2	2
ES-1	3	14	17	3	14	17	3	13	16
GS/GM-15	48	393	441	48	393	441	48	392	440
GS/GM-14	36	544	580	36	544	580	36	542	578
GS/GM-13	96	710	806	96	710	806	96	706	802
GS-12	102	610	712	102	610	712	102	607	709
GS-11	19	456	475	19	456	475	19	451	470
GS-10	1	18	19	1	18	19	1	17	18
GS-9	15	760	775	15	760	775	15	755	770
GS-8	3	328	331	3	328	331	3	312	315
GS-7	42	677	719	42	677	719	41	675	716
GS-6	98	579	677	98	579	677	98	579	677
GS-5	48	583	631	48	583	631	46	583	629
GS-4	19	263	282	19	263	282	17	260	277
GS-3	2	41	43	2	41	43	2	41	43
GS-2	1	8	9	1	8	9	1	8	9
GS-1	--	3	3	--	3	3	--	3	3
Positions at rates Estab- lished by Act June 20, 1958 (U.S.C. 3104) (ST).....	--	12	12	--	12	12	--	12	12
Grades Estab- lished under Foreign National Pay Plan Manual..	--	12	12	--	12	12	--	12	12
Ungraded Positions....	2	583	585	2	583	585	2	583	585
Total Permanent Positions....	544	6,619	7,163	544	6,619	7,163	539	6,576	7,115
Unfilled Positions end-of-year	-45	-196	-241	-45	-196	-241	-45	-196	-241
Permanent Employment end-of-year	499	6,423	6,922	499	6,423	6,922	494	6,380	6,874
Staff Years: Ceiling.....	524	7,808	8,332	513	7,637	8,150	508	7,592	8,100

AGRICULTURAL RESEARCH SERVICE

CLASSIFICATION BY OBJECTS1992 Actual, Estimated 1993 and 1994

	<u>1992 Actual</u>	<u>1993 Estimated</u>	<u>1994 Estimated</u>
Personnel Compensation:			
Headquarters.....	\$29,933,400	\$31,616,071	32,526,000
Field.....	<u>271,603,077</u>	<u>286,870,929</u>	<u>295,132,000</u>
11 Total Personnel Compensation.....	301,536,477	318,487,000	327,658,000
12 Personnel Benefits.....	61,871,497	65,743,000	67,613,000
13 Benefits for former employees..	<u>460,569</u>	<u>--</u>	<u>--</u>
Total Pers. Comp. & Benefits.....	363,868,543	384,230,000	395,271,000
Other Objects:			
21 Travel and transportation of persons.....	11,391,768	11,392,000	11,424,000
22 Transportation of things.....	1,334,368	1,334,000	1,338,000
23 Communications, utilities and miscellaneous charges....	28,262,974	28,263,000	28,341,000
24 Printing and reproduction.....	1,299,662	1,300,000	1,303,000
25.1 Consultant services	209,000	222,000	223,000
25.2 Other Services	144,943,758	132,997,000	129,843,000
26 Supplies and materials.....	51,724,712	48,118,000	48,251,000
31 Equipment.....	41,245,286	37,920,000	38,025,000
32 Lands and Structures.....	62,833,784	86,410,000	48,890,000
41 Grants, subsidies, and contributions.....	<u>9,715,515</u>	<u>9,716,000</u>	<u>9,742,000</u>
Total Other Objects.....	<u>352,960,827</u>	<u>357,672,000</u>	<u>317,380,000</u>
Total Obligations.....	<u><u>707,113,855</u></u>	<u><u>741,902,000</u></u>	<u><u>712,651,000</u></u>

Position Data:

Average Salary, ES positions.....	\$ 99,324	\$103,000	105,000
Average Salary, GM/GS positions.....	36,202	37,962	39,915
Average Grade, GM/GS positions.....	9.59	9.59	9.59
Average Salary of Ungraded positions.....	35,253	36,809	37,426

Note: Includes Salaries and Expenses and Buildings and Facilities Obligations.

PROPOSED LANGUAGE CHANGES

AGRICULTURAL RESEARCH SERVICE

The estimates include proposed changes in the language of this item as follows (new language underscored; deleted matter enclosed in brackets):

Salaries and Expenses

For necessary expenses to enable the Agricultural Research Service to perform agricultural research and demonstration relating to production, utilization, marketing, and distribution (not otherwise provided for), home economics or nutrition and consumer use, and for acquisition of lands by donation, exchange, or purchase at a nominal cost not to exceed \$100, [\$658,379,000] \$666,451,000: Provided, That appropriations hereunder shall be available for temporary employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed \$115,000 shall be available for employment under 5 U.S.C. 3109: Provided further, That funds appropriated herein can be used to provide financial assistance to the organizers of national and international conferences, if such conferences are in support of agency programs: Provided further, That appropriations hereunder shall be available for the operation and maintenance of aircraft and the purchase of not to exceed one for replacement only: Provided further, That appropriations hereunder shall be available to conduct marketing research: Provided further, That appropriations hereunder shall be available pursuant to 7 U.S.C. 2250 for the construction, alteration, and repair of buildings and improvements, but unless otherwise provided the cost of constructing any one building shall not exceed \$250,000, except for headhouses or greenhouses which shall each be limited to \$1,000,000, and except for ten buildings to be constructed or improved at a cost not to exceed \$500,000 each, and the cost of altering any one building during the fiscal year shall not exceed 10 per centum of the current replacement value of the building or \$250,000, whichever is greater: Provided further, That the limitations on alterations contained in this Act shall not apply to modernization or replacement of existing facilities at Beltsville, Maryland: Provided further, That the foregoing limitations shall not apply to replacement of buildings needed to carry out the Act of April 24, 1948 (21 U.S.C. 113a): Provided further, That the foregoing limitations shall not apply to the purchase of land or the construction of facilities as may be necessary for the relocation of the United States Horticultural Crops Research Laboratory at Fresno to Parlier, California, and the relocation of the laboratories at Behoust, France and Rome, Italy to Montpelier, France, including the sale or exchange at fair market value of existing land and facilities at Fresno, California and Behoust, France; and the Agricultural Research Service may lease such existing land and facilities from the purchasers until completion of the replacement facilities and the foregoing limitations shall not apply to the purchase of land at Weslaco, Texas: Provided further, That not to exceed \$190,000 of this appropriation may be transferred to and merged with the appropriation for the Office of the Assistant Secretary for Science and Education for the scientific review of international issues involving agricultural chemicals and food additives: Provided further, That funds may be received from any State, other political subdivision, organization, or individual for the purpose of establishing or operating any research facility or research project of the Agricultural Research Service, as authorized by law.

Special Fund: To provide for additional labor, subprofessional, and junior scientific help to be employed under contracts and cooperative agreements to strengthen the work at Federal research installations in the field, \$2,500,000.

This change is proposed to allow ARS to purchase 4.3 acres of land adjacent to the Subtropical Agricultural Research Laboratory at Weslaco, Texas. This adjacent parcel was identified as the most suitable site for the future relocation of the laboratory and office spaces under the new facility master plan.

AGRICULTURAL RESEARCH SERVICE

Appropriation Act, 1993.....	\$660,879,000
Budget Estimate, 1994.....	668,951,000
Increase in Appropriation.....	<u>+8,072,000</u>

Adjustments in 1993:

Appropriation Act, 1993.....	\$660,879,000
Transfer to office of the Secretary <u>a/</u>	<u>-212,000</u>
Adjusted base for 1993.....	\$660,667,000
Budget Estimate, 1994.....	668,951,000
Increase over adjusted 1993.....	<u>+8,284,000</u>

a/ This transfer was made pursuant to the Secretary's authority provided by P.L. 102-341, dated August 14, 1992.

SUMMARY OF INCREASES AND DECREASES
(on the basis of adjusted appropriation)

<u>Projects</u>	<u>1993 Estimated</u>	<u>Pay Cost</u>	<u>Other Changes</u>	<u>1994 Estimated</u>
1. Research on soil, water, and air sciences.....	\$82,424,000	+1,150,000	-50,000	\$83,524,000
2. Research on plant sciences.....	241,443,000	+3,368,800	-144,800	244,667,000
3. Research on animal sciences.....	113,599,000	+1,585,000	-68,000	115,116,000
4. Research on commodity conversion and delivery.....	129,377,000	+1,805,200	-78,200	131,104,000
5. Human nutrition research.....	49,725,000	+358,900	+13,100	50,097,000
6. Integration of agri- cultural systems.....	25,808,000	+360,100	-16,100	26,152,000
7. Repair and maintenance of facilities.....	17,362,000	--	--	17,362,000
8. Contingencies.....	<u>929,000</u>	<u>--</u>	<u>--</u>	<u>929,000</u>
Total Available.....	<u>660,667,000</u>	<u>+8,628,000</u>	<u>-344,000</u>	<u>668,951,000</u>

Project Statement--Current Law
(on the basis of adjusted appropriation)

Project	1992 Actual		1993 Estimated		Increases or Decreases	1994 Estimated	
	AMOUNT	Staff Years	AMOUNT	Staff Years		AMOUNT	Staff Years
1. Research on soil, water, and air sciences....	\$81,919,679	963	\$82,424,000	942	+\$1,100,000(1)	\$83,524,000	938
2. Research on plant sciences....	245,545,381	3,438	241,443,000	3,366	+3,224,000(2)	244,667,000	3,350
3. Research on animal sciences....	112,529,670	1,629	113,599,000	1,592	+1,517,000(3)	115,116,000	1,585
4. Research on commodity conversion and delivery.	127,323,360	1,703	129,377,000	1,664	+1,727,000(4)	131,104,000	1,656
5. Human nutrition research.....	49,884,529	228	49,725,000	225	+372,000(5)	50,097,000	224
6. Integration of agricultural systems.....	25,932,124	208	25,808,000	203	+344,000(6)	26,152,000	202
7. Repair and maintenance of facilities.....	16,036,124	- -	17,362,000	- -	- -	17,362,000	- -
8. Contingencies	a/	- -	929,000	- -	- -	929,000	- -
Unobligated balance.....	1,610,133	- -	- -	- -	- -	- -	- -
Total, available or estimate....	660,781,000	8,169	660,667,000	7,992	+8,284,000	668,951,000	7,945
Transfer to the Office of the Secretary.....	98,000	- -	212,000	- -			
Total, Appropriation.....	660,879,000	8,169	660,879,000	7,992			
Investment Proposal.....						7,000,000	10
Total, President's Budget.....						675,951,000	7,955

a/ Obligations incurred under the Research Contingency Fund in 1992 amount to \$928,523 and are reflected within each research project.

AGRICULTURAL RESEARCH SERVICE

Explanation of Program

Under the Agriculture, Rural Development and Related Agencies Appropriations, the Agricultural Research Service develops the means for:

1. Managing and enhancing the Nation's soil, water, and atmospheric resources to optimize agricultural productivity and environmental quality. -- Research is conducted to develop the technology for assessing and predicting long-term changes in the quantity and quality of the Nation's soil, water, and atmospheric resources; to provide the technology needed for improving, protecting, and restoring the productive capacity of agricultural soils; to develop improved soil and water management systems and practices to optimize the quality and efficient use of water resources; and to understand and optimize interactions of climate with soil, water, crops, and their management; and through better management, enhance the environment.
2. Maintaining and increasing the productivity and quality of crop plants. -- Research is conducted on collection and preservation of plant genetic resources; use and modification of these genetic resources to develop new improved high-quality, pest-resistant, stress-tolerant crop varieties to satisfy domestic and export needs; improved production practices and crop management systems which increase production efficiency and help protect the environment; methods of biological control and other pest management practices to reduce crop losses from insects, diseases, nematodes, and weeds; biology of economic plants and major pests to better understand the biochemistry and function of living organisms; mapping of important genes of major crop plants; and new and alternate high-value crops particularly for small farm operations.
3. Increasing the productivity of animals and the quality of animal products. -- Research is conducted to increase the genetic capacity of animals for production; to improve the efficiency of reproduction and reproduction-related biological processes; to improve animal nutrition and feed efficiency to increase productivity and product quality; to develop ways to prevent or control losses from diseases, parasites, and toxicants and other substances that limit animal performance and reduce the quality of animal products; to develop means for controlling insects, ticks, and mites that affect animals and man; and to devise means for improving and integrating procedures and facilities for production and transport of animals to increase productivity, reduce costs, and enhance animal well-being.
4. Achieving maximum use of agricultural commodities in domestic markets and export. -- Research is conducted to maintain and improve the economic viability and competitiveness of U.S. food, feed and industrial products and commodities in the current global market by developing the knowledge and means to improve quality and performance characteristics, to meet consumer safety criteria, and to eliminate trade barriers; by providing the knowledge and technologies needed by action and regulatory agencies to assure quality and safety; by devising economic, environmentally benign, safe processing concepts; and by expanding domestic and export market opportunities through the development of value-added food and nonfood products.
5. Promoting optimum human health and well-being through improved nutrition and family resource management. -- Research is conducted to define the cellular and molecular functions, requirements, and interactions of nutrients for humans at all stages of the life cycle; to explore genetic diversity and individual variation in nutrient needs; to develop methods for determining the nutrient content of agricultural commodities

and processed foods as eaten, and establish the bioavailability of their nutrients; and to improve the nutritional status of humans and the well-being of families by making techniques available for assessing the nutrient intake and nutritional status of the population.

6. Integrating knowledge of agricultural production, processing, and marketing into management systems which optimize utilization of users resources and net returns. -- Research is conducted to develop integrated systems for efficiently producing, processing, and marketing agricultural products; and to develop alternative production systems, adapted to users with widely varying resources, which are economically and environmentally sustainable.
7. Repair and maintenance of facilities. -- Funds are used to repair and maintain ARS facilities to provide safe, energy-efficient and functional workspace for in-house research. ARS is committed to adequately funding routine maintenance and repair to assure that all facilities are properly maintained. Each location also allocates program funds as appropriate, to perform the most pressing repairs or maintenance of facilities.
8. Contingencies. -- These funds established by Congress in fiscal year 1962, provide for necessary contingency financing for urgent items requiring immediate research action, including research demanded by emergency situations, unforeseeable research needed because of unexpected scientific breakthroughs, funding for damaged but urgently needed facilities, and other related needs where time is of the essence.
9. Construction of facilities. -- These funds complement the funding appropriated under the Buildings and Facilities account to accelerate the restoration and upgrading of research laboratories and buildings and facilities.

The research performed by Agricultural Research Service (ARS) is authorized by the Department of Agriculture Organic Act of 1862 (7 U.S.C. 2201, 2204); the Research and Marketing Act of 1946, as amended (7 U.S.C. 427, 1621); the Food and Agriculture Act of 1977, as amended (7 U.S.C. 1281 note); the Food Security Act of 1985 (7 U.S.C. 3101 note); and the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 1421 note).

JUSTIFICATION OF INCREASES AND DECREASES

- (1) A net increase of \$1,100,000 for research on Soil, Water, and Air Sciences consisting of:

- (a) An increase of \$957,700 which reflects a 2.7 percent increase in non-salary costs.
- (b) An increase of \$1,150,000 which reflects the annualization of the fiscal year 1993 pay raise.
- (c) A decrease of \$860,000 for administrative efficiency.

Need for Change. To promote the efficient use of resources for administrative purposes in keeping with the President's Executive Order, total USDA baseline outlays for these activities will be reduced by 3 percent in FY 1994, 6 percent in FY 1995, 9 percent in FY 1996 and 14 percent in FY 1997.

Nature of Change. ARS will implement management efficiencies in all program and management areas to achieve savings in the conduct of research. These savings will be derived through non-salary areas of expenditures including travel, contracting, utilities and communications, printing and reproduction, consultants and other services, and purchases of supplies and materials. Savings to be achieved in travel, for example, will result from limiting the number of participants attending meetings and conferences and utilizing teleconferences in lieu of travel.

- (d) A decrease of \$133,300 which reflects a reduction in full-time equivalent employment.

This reduction is made pursuant to Executive Order 12839, dated February 10, 1993. In compliance with this directive, positions will be vacated through attrition only and not by reduction-in-force.

- (e) A decrease of \$14,400 for FTS 2000 funding.

This decrease reflects lower long distance telecommunications prices due to price redeterminations in the FTS 2000 contracts.

- (2) A net increase of \$3,224,000 for research on Plant Sciences consisting of:

- (a) An increase of \$2,805,400 which reflects a 2.7 percent increase in non-salary costs.:
- (b) An increase of \$3,368,800 which reflects the annualization of the fiscal year 1993 pay raise.
- (c) A decrease of \$2,517,500 for administrative efficiency.

Need for Change. To promote the efficient use of resources for administrative purposes in keeping with the President's Executive Order, total USDA baseline outlays for these activities will be reduced by 3 percent in FY 1994, 6 percent in FY 1995, 9 percent in FY 1996 and 14 percent in FY 1997.

Nature of Change. ARS will implement management efficiencies in all program and management areas to achieve savings in the conduct of research. These savings will be derived through non-salary areas of expenditures including travel, contracting, utilities and communications, printing and reproduction, consultants and other services, and purchases of supplies and materials. Savings to be achieved in travel, for example, will result from limiting the number of participants attending meetings and conferences and utilizing teleconferences in lieu of travel.

- (d) A decrease of \$390,500 which reflects a reduction in full-time equivalent employment.

This reduction is made pursuant to Executive Order 12839, dated February 10, 1993. In compliance with this directive, positions will be vacated through attrition only and not by reduction-in-force.

- (e) A decrease of \$42,200 for FTS 2000 funding.

This decrease reflects lower long distance telecommunications prices due to price redeterminations in the FTS 2000 contracts.

- (f) An amount of \$500,000 for Germplasm Evaluation Program at Tennessee State University (1890 Center of Excellence), to be funded from within the total proposed FY 1994 Budget:

Need for Change: ARS has conducted an active tree and shrub germplasm and variety development program at the U.S. National Arboretum, Washington, D.C. This program is intended to serve the entire country which requires regional evaluation of new improved germplasm for local adaptation and for adaptation to specific wholesale production areas of nursery crops. The eastern production area of wholesale nursery stock is centered in Tennessee, and more specifically around McMinnville. There is a need to evaluate the germplasm and new improved selections from the National Arboretum tree and shrub breeding program. The selection of plant material resistant to insect, disease, and nematode pests would greatly reduce the use of pesticides now being used by homeowners and municipalities to control insect and disease pests. Tennessee State University (TSU) has acquired land at McMinnville and has committed over \$3 million dollars for a Nursery Crops Research and Extension Center. There is opportunity and need for ARS to become a partner in this planned research activity at TSU.

Nature of Change: Within the total proposed budget for FY 1994, ARS proposes to expand an existing cooperative research program with TSU on the evaluation of plant germplasm of interest to the U.S. nursery industry. Emphasis would be on selection of plant material that would be resistant to insect, disease, and nematode pests and tolerant to stress caused by cold, heat, drought, air pollution, and other environmental factors. These plant evaluations would be cooperative with the tree and shrub breeding program at the U.S. National Arboretum, Washington, D.C. The Research Committee of the Tennessee Nursery Association has expressed an interest in participating in these evaluations. ARS scientists would be located at the Nursery Crops Research and Extension Center at McMinnville. The Soil Conservation Service (SCS) has also expressed an interest in cooperating in the planned research. SCS has a large number of Plant Material Centers to propagate and distribute native and improved trees and shrubs to protect marginal lands against soil erosion. These

research activities will also provide educational opportunities for 1890 students and encourage the students to become greater involved in small farm and small business operations associated with the production and sale of nursery crops.

(3) A net increase of \$1,517,000 for research on Animal Sciences consisting of:

- (a) An increase of \$1,320,000 which reflects a 2.7 percent increase in non-salary costs.
- (b) An increase of \$1,585,000 which reflects the annualization of the fiscal year 1993 pay raise.
- (c) A decrease of \$1,184,500 for administrative efficiency.

Need for Change. To promote the efficient use of resources for administrative purposes in keeping with the President's Executive Order, total USDA baseline outlays for these activities will be reduced by 3 percent in FY 1994, 6 percent in FY 1995, 9 percent in FY 1996 and 14 percent in FY 1997.

Nature of Change. ARS will implement management efficiencies in all program and management areas to achieve savings in the conduct of research. These savings will be derived through non-salary areas of expenditures including travel, contracting, utilities and communications, printing and reproduction, consultants and other services, and purchases of supplies and materials. Savings to be achieved in travel, for example, will result from limiting the number of participants attending meetings and conferences and utilizing teleconferences in lieu of travel.

- (d) A decrease of \$183,700 which reflects a reduction in full-time equivalent employment.

This reduction is made pursuant to Executive Order 12839, dated February 10, 1993. In compliance with this directive, positions will be vacated through attrition only and not by reduction-in-force.

- (e) A decrease of \$19,800 for FTS 2000 funding.

This decrease reflects lower long distance telecommunications prices due to price redeterminations in the FTS 2000 contracts.

(4) A net increase of \$1,727,000 for research on Commodity Conversion and Delivery consisting of:

- (a) An increase of \$1,503,200 which reflects 2.7 percent increase in non-salary costs.
- (b) An increase of \$1,805,200 which reflects the annualization of the fiscal year 1993 pay raise.
- (c) A decrease of \$1,349,600 for administrative efficiency.

Need for Change. To promote the efficient use of resources for administrative purposes in keeping with the President's Executive Order, total USDA baseline outlays for these activities will be reduced by 3 percent in FY 1994, 6 percent in FY 1995, 9 percent in FY 1996 and 14 percent in FY 1997.

Nature of Change. ARS will implement management efficiencies in all program and management areas to achieve savings in the conduct of research. These savings will be derived through non-salary areas of expenditures including travel, contracting, utilities and communications, printing and reproduction, consultants and other services, and purchases of supplies and materials. Savings to be achieved in travel, for example, will result from limiting the number of participants attending meetings and conferences and utilizing teleconferences in lieu of travel.

- (d) A decrease of \$209,200 which reflects a reduction in full-time equivalent employment.

This reduction is made pursuant to Executive Order 12839, dated February 10, 1993. In compliance with this directive, positions will be vacated through attrition only and not by reduction-in force.

- (e) A decrease of \$22,600 for FTS 2000 funding.

This decrease reflects lower long distance telecommunications prices due to price redeterminations in the FTS 2000 contracts.

- (5) A net increase of \$372,000 for research on Human Nutrition, consisting of:

- (a) An increase of \$577,800 which reflects a 2.7 percent increase in non-salary costs.
- (b) An increase of \$358,900 which reflects the annualization of the fiscal year 1993 pay raise.
- (c) A decrease of \$518,600 for administrative efficiency.

Need for Change. To promote the efficient use of resources for administrative purposes in keeping with the President's Executive Order, total USDA baseline outlays for these activities will be reduced by 3 percent in FY 1994, 6 percent in FY 1995, 9 percent in FY 1996 and 14 percent in FY 1997.

Nature of Change. ARS will implement management efficiencies in all program and management areas to achieve savings in the conduct of research. These savings will be derived through non-salary areas of expenditures including travel, contracting, utilities and communications, printing and reproduction, consultants and other services, and purchases of supplies and materials. Savings to be achieved in travel, for example, will result from limiting the number of participants attending meetings and conferences and utilizing teleconferences in lieu of travel.

- (d) A decrease of \$41,600 which reflects a reduction in full-time equivalent employment.

This reduction is made pursuant to Executive Order 12839, dated February 10, 1993. In compliance with this directive, positions will be vacated through attrition only and not by reduction-in-force.

- (e) A decrease of \$4,500 for FTS 2000 funding.

This decrease reflects lower long distance telecommunications prices due to price redeterminations in the FTS 2000 contracts.

(6) A net increase of \$344,000 for research on Integration of Agricultural Systems, consisting of:

- (a) An increase of \$299,900 which reflects a 2.7 percent increase in non-salary costs.
- (b) An increase of \$360,100 which reflects the annualization of the fiscal year 1993 pay raise.
- (c) A decrease of \$269,800 for administrative efficiency.

Need for Change. To promote the efficient use of resources for administrative purposes in keeping with the President's Executive Order, total USDA baseline outlays for these activities will be reduced by 3 percent in FY 1994, 6 percent in FY 1995, 9 percent in FY 1996 and 14 percent in FY 1997.

Nature of Change. ARS will implement management efficiencies in all program and management areas to achieve savings in the conduct of research. These savings will be derived through non-salary areas of expenditures including travel, contracting, utilities and communications, printing and reproduction, consultants and other services, and purchases of supplies and materials. Savings to be achieved in travel, for example, will result from limiting the number of participants attending meetings and conferences and utilizing teleconferences in lieu of travel.

- (d) A decrease of \$41,700 which reflects reduction in full-time equivalent employment.

This reduction is made pursuant to Executive Order 12839, dated February 10, 1993. In compliance with this directive, positions will be vacated through attrition only and not by reduction-in-force.

- (e) A decrease of \$4,500 for FTS 2000 funding.

This decrease reflects lower long distance telecommunications prices due to price redeterminations in the FTS 2000 contracts.

Agricultural Research Service
Summary of Investment Proposals

SUMMARY OF INCREASES AND DECREASES - INVESTMENT PROPOSAL

<u>Item of Change</u>	<u>Base Request</u>	1994 <u>Investment Proposal</u>	<u>Total Request</u>
Research on soil, water, and air sciences	\$83,524,000	--	\$83,524,000
Research on plant sciences	244,667,000	--	244,667,000
Research on animal sciences ...	115,116,000	--	115,116,000
Research on commodity conversion and delivery	131,104,000	+6,000,000 <u>1/</u>	137,104,000
Human nutrition research	50,097,000	--	50,097,000
Integration of Agricultural Systems	26,152,000	+1,000,000 <u>2/</u>	27,152,000
Repair and maintenance of facilities	17,362,000	--	17,362,000
Contingencies	<u>929,000</u>	<u>--</u>	<u>929,000</u>
Total Available	<u>668,951,000</u>	<u>+7,000,000</u>	<u>675,951,000</u>

1/ Consists of: \$4,300,000 for new conversion technologies
1,700,000 for research on biofuels

2/ For improved farm management systems.

Explanation of Investment Proposals\$4,300,000 for New Conversion Technologies.

Need for Change. Development of new and expanded uses of agriculture commodities is vital to the economic stability of U.S. farmers and rural communities, and to enhancing the competitive position of U.S. agriculture in world markets. New societal and environmental product demands offer market opportunities for natural and environmentally compatible products derived from renewable resources. In addition, new technological opportunities abound to achieve those market opportunities. Bioconversion, enzyme engineering, critical and super-critical processing, membrane separation and reaction, and extrusion all offer viable technological potential to meet the economic challenge of conversion of agricultural commodities to new useful products.

Expansion of the markets for agricultural commodities is essential to the maintenance of the economic competitiveness of the U.S. Market expansion can be enhanced through an increase in product quality. Real time technologies for quality assessment are essential for establishing, maintaining, and assuring product quality and market competitiveness. Though the U.S. has led the world in establishing highly effective grading systems, the rate of change in the production, marketing, and processing sectors of the agricultural system has created a demand for new, more objective means of assessing commodity properties and values. A worldwide increase in handling and processing automation has produced an upsurge in demand for uniformity, and market emphasis on quality has generated the need for new knowledge of the properties important to end use. Furthermore, the international focus on agricultural trade in GATT, CODEX, the U.S.-Canada trade agreement, and the potential agreement with Mexico have each contributed special needs with regard to grades and standards.

Nature of Change. The emphasis of the ARS component of the Advanced Manufacturing Initiative is on industrial uses of agricultural commodities.

Develop new products from animal derived materials, (\$600,000): Devise cost-effective technologies for the separation and conversion, including the bioconversion of tallow into environmentally acceptable products such as detergents. Devise cost-effective fermentation strategies for the conversion of whey and whey constituents to industrial products for the health care industry.

Technologies for development of advanced materials and products from plant chemicals, agricultural products, starch, lipids, and proteins, (\$2,700,000) Utilize and develop new and improved technologies for cost-effective production of value-added products and advanced materials that have functional and structural properties which can uniquely meet specific market demands. Emphasis will be on those properties of natural polymers that offer unique opportunities for economic modification and conversion to products that are competitive in cost and function with those derived from non-renewable sources.

New Technologies for Quality Assessment, (\$1,000,000): Develop rapid automated methods to screen and quantify those quality parameters important to domestic and export competitiveness of U.S. commodities.

\$1,700,000 for research on Biofuels

Need for Change. Increased utilization of biofuels made from agricultural crops offers the potential to address both economic and environmental challenges which are national priorities. In addition to reducing dependence on foreign oil, contributing to USDA goals on rural development, conversion of raw agricultural commodities to higher value products, enhancement of farm income, and reduction of farm program costs, these needs are compatible with the objectives of the National

Energy Policy Act, the Clean Air Act Amendments and State regulations, and the Department's Global Change Plan. There is a need to improve technology for producing ethanol and biodiesel fuels to more efficiently produce the agricultural feedstocks from which these biofuels are converted and to increase the value of the conversion residues.

Alcohol and biodiesel fill the needs for environmentally benign fuels and heightened energy security for the United States. Moreover, they form a significant component of an overall strategy to convert raw bulk commodities to marketable value-added co-products and to help stabilize the farm sector.

Nature of Change. The strategy of the ARS Biofuels component of the Advanced Manufacturing Initiative is to improve technology and processing systems that reduce the cost of producing the biofuels.

Develop Improved Conversion Technologies and Systems, (\$1,700,000): Research on new pretreatment technologies for grain and energy crops to improve production efficiency and capturing high value coproducts will be initiated and efforts on development of enzymes and microorganisms for hydrolysis and fermentation, and separation processes will be expanded. Through screening and genetic engineering of more effective enzymes and microorganisms, the hydrolysis and fermentation processes will require less time and produce high yields of ethanol. Separation processes that are simultaneous with the fermentation will be developed to enhance higher ethanol yields at lower energy requirements.

Technology will be enhanced for producing biodiesel from vegetable oils and animal fats by improving the chemical and physical properties. Performance characteristics, including emissions, of the most promising biodiesel fuels will be determined.

\$1,000,000 for Improved Farm Management Systems

Need for Change. Sustainability of agriculture as an integral part of the total ecological universe has recently become an overriding consideration in the planning of farming systems. Consequently, concerns for the quality of surface and ground waters and other ecological qualities of the land have joined, and to a degree supplanted, traditional concerns for soil erosion and its threat to sustained soil productivity. At the same time, increasing international economic competition and the need to reduce public expenditures demand new farming systems that enhance the competitiveness of American farmers and reduce the use of public funds.

The Soil Conservation Service (SCS) is committed to deploying a new multi-objective planning system, SWAPA (for Soil, Water, Air, Plants, and Animals) for evaluating farm management plans. Previous decision-support technology delivered by ARS to SCS has addressed specific problems such as water erosion, wind erosion, and groundwater quality. Experience has shown that a management plan designed to solve only one of these problems can exacerbate another. To support the SWAPA initiative, ARS must develop a new, broad-based and multi-objective soil conservation system evaluation methodology that can be applied at the farm, ranch and watershed scale.

Nature of Change. Develop integrated technology and decision support systems in support of the Advanced Manufacturing Initiative.

Intelligent Farm Management Systems (\$750,000) Develop integrated technology (sensors, instrumentation, controls robotics, image analysis, computer software, and decision support systems) to improve resource management and crop and livestock production systems.

Decision-support technology in support of the SCS multi-objective planning systems (\$250,000) The research will extend the power of newly developed or emerging erosion prediction technology, water quality, crop production, and farm planning models to address landscape and farm-scale problems in a systems context needed to fully implement SWAPA in new decision-support systems. The systems will also build on a rapidly developing body of multi-object decision theory to evaluate alternative management practices. The technology will be developed using system engineering principles in close cooperation with the SCS to identify user requirements. The anticipated technology will consist of computer based systems which incorporate user interfaces, and expert systems, data bases, simulation models, and decision models.

Investment Language

AGRICULTURAL RESEARCH SERVICE

In addition to funding already available under this head, and subject to the same terms and conditions, \$7,000,000 for the Agricultural Research Service to provide for research and demonstration of advanced manufacturing technologies in the production and utilization of agricultural commodities.

United States Department of Agriculture
Agricultural Research Service

CONTINGENCY RESEARCH FUND--FY 1992

The Contingency Research Fund, established by Congress in Fiscal Year 1962, is designed to provide a ready source of funds to meet unforeseen and immediate research needs. Releases from the fund are generally made in situations where an emergency funding exists, such as an unexpected scientific "breakthrough," or outbreaks of diseases or pest problems where it appears inadvisable to wait for consideration of additional funding through the regular budget process. In allocating these funds, the agency policy is to make no commitment beyond the current fiscal year.

1992 Releases

Irrigation system restoration, Mandan, North Dakota	\$50,000
Repair/replace irrigation pumps and pipes, lawn mower, lab flooring, insulation, pickup truck caused by flood damage, College Station, Texas	12,900
Repair/replace telephone system, Kerrville, Texas	36,000
Replace centrifuge, spectrophotometer, calculators, chairs, etc. damaged by fire, Madison, Wisconsin	29,000
Repair roads, fences, irrigation lines, pruning tower and building caused by flood damage, Brownwood, Texas..	69,400
Replace feed processors, autoclave, balances, incubators, freezers, glassware, dishes, etc. destroyed by fire, Tifton, Georgia	41,000
Asbestos cleanup, Gainesville, Florida	43,160
Provide for increased funds for taxol research-- dedicated computer system, equipment; and fund cooperative project on taxol with Cornell University Ithaca, New York	100,000
Replace analyzer, spectrophotometer, pumps, water purification system, detectors, etc. destroyed by fire, Beltsville, Maryland	55,000
Repair panes in greenhouse damaged during hail storm, Orlando, Florida	11,305
Purchase supplies (roofing paper, plywood, chain saws, wheelbarrows, drinking water, heavy duty plastic) and repair/replace equipment (front-end loaders, vehicles, computers, phone system) damaged by Hurricane Andrew, Miami, Florida	45,758
Provide for increased sweet potato whitefly research:	
College Station, Texas	20,000
Weslaco, Texas	75,000
Phoenix, Arizona	70,000
Stoneville, Mississippi	15,000
Tifton, Georgia	45,000
Beltsville, Maryland	65,000
Orlando, Florida	<u>145,000</u>
Total, Contingency Research Fund	<u>928,523</u>

STATEMENT OF OBLIGATIONS AND STAFF-YEARS BY LOCATION
(On basis of adjusted appropriation)

Location	Actual 1992		Estimated 1993		Estimated 1994	
	Dollars	Staff-Years	Dollars	Staff-Years	Dollars	Staff-Years
ALABAMA, Auburn.....	\$2,687,681	39	\$2,745,400	38	\$2,781,800	38
ALASKA, Fairbanks.....	716,073	9	725,700	9	735,300	9
ARIZONA						
Phoenix.....	6,519,955	98	6,273,200	95	6,802,500	96
Tucson.....	3,337,996	45	3,138,300	44	3,177,400	44
Total.....	9,857,951	143	9,411,500	139	9,979,900	140
ARKANSAS						
Booneville.....	1,293,648	21	1,336,700	21	1,354,500	21
Fayetteville.....	882,676	6	951,100	6	963,800	6
Stuttgart.....	552,163	4	551,900	4	559,200	4
Total.....	2,728,487	31	2,839,700	31	2,877,500	31
CALIFORNIA						
Albany.....	21,036,164	242	20,073,800	236	21,051,600	237
Brawley.....	304,780	7	302,300	7	306,300	7
Davis.....	1,690,933	27	1,594,400	26	1,615,600	26
Fresno.....	5,023,616	76	4,020,000	72	4,069,100	71
Pasadena.....	1,508,058	19	1,497,800	19	1,517,700	19
Riverside.....	4,111,527	51	3,866,700	49	3,914,500	49
Salinas.....	2,115,264	34	1,959,500	33	1,982,700	33
San Francisco.....	4,710,532	44	4,603,100	42	4,664,300	42
Shafter.....	892,283	10	1,049,700	11	1,063,700	11
Total.....	41,393,157	510	38,967,300	495	40,185,500	495
COLORADO						
Akron.....	1,413,890	20	1,226,500	20	1,242,800	19
Fort Collins.....	10,712,938	144	10,504,200	139	10,622,700	138
Total.....	12,126,828	164	11,730,700	159	11,865,500	157
DELAWARE						
Georgetown.....	707,938	10	747,800	10	757,700	9
Newark.....	627,094	12	609,700	11	617,800	11
Total.....	1,335,032	22	1,357,500	21	1,375,500	20
DISTRICT OF COLUMBIA						
Program.....	4,261,769	64	4,390,800	62	4,448,900	62
<u>Headquarters</u>						
Federal						
Administration.....	32,177,612	524	38,375,800	513	38,954,100	508
Centrally Fi-						
nanced Services....	8,167,821	- -	8,305,400	- -	8,197,400	- -
Subtotal.....	40,345,433	524	46,681,200	513	47,151,500	508
Total.....	44,607,202	588	51,072,000	575	51,600,400	570
FLORIDA						
Brooksville.....	763,738	12	726,500	11	736,100	10
Canal Point.....	953,067	24	937,200	24	949,700	22
Fort Lauderdale.....	690,983	12	667,300	11	676,200	11
Gainesville.....	10,072,602	142	9,559,000	138	9,681,500	136
Miami.....	1,812,090	36	1,724,400	35	1,747,300	34
Orlando.....	4,636,923	67	4,327,400	65	4,384,400	64
Winter Haven.....	1,285,267	20	1,257,900	20	1,274,600	19
Total.....	20,214,670	313	19,199,700	304	19,449,800	296

STATEMENT OF OBLIGATIONS AND STAFF-YEARS BY LOCATION
(On basis of adjusted appropriation)

Location	Actual 1992		Estimated 1993		Estimated 1994	
	Dollars	Staff-Years	Dollars	Staff-Years	Dollars	Staff-Years
GEORGIA						
Athens.....	14,803,837	197	14,593,400	192	15,596,000	194
Byron.....	2,200,199	45	2,135,900	44	2,164,000	43
Dawson.....	2,272,754	36	2,099,400	35	2,126,700	35
Experiment.....	1,639,250	25	1,652,800	25	1,674,800	25
Savannah.....	2,841,090	47	2,782,100	47	2,818,100	47
Tifton.....	8,282,499	117	8,068,300	115	8,160,100	114
Watkinsville.....	2,088,139	22	2,020,900	22	2,047,800	22
Total.....	34,127,768	489	33,352,800	480	34,587,500	480
HAWAII, Honolulu.....	8,683,321	89	8,786,300	88	8,863,200	88
IDAHO						
Aberdeen.....	1,880,568	19	1,929,200	20	1,949,400	20
Boise.....	1,586,516	21	1,792,500	21	1,816,300	21
Dubois.....	2,310,538	19	2,078,500	17	2,106,100	17
Kimberly.....	2,597,971	43	2,545,400	41	2,579,200	40
Total.....	8,375,593	102	8,345,600	99	8,451,000	98
ILLINOIS						
Peoria.....	25,327,967	295	25,111,600	293	26,861,300	295
Urbana.....	3,770,144	45	3,618,000	44	3,663,700	44
Total.....	29,098,111	340	28,729,600	337	30,525,000	339
INDIANA, Lafayette.....	4,819,049	40	4,602,500	39	4,661,700	39
IOWA, Ames/Ankeny.....	25,927,579	324	25,286,200	316	25,604,100	315
KANSAS, Manhattan.....	4,968,494	70	4,730,900	69	5,241,000	70
KENTUCKY, Lexington....	1,555,669	17	1,535,200	16	1,555,600	16
LOUISIANA						
Baton Rouge.....	2,114,781	31	1,970,100	30	1,993,500	29
Houma.....	1,440,555	34	1,364,000	34	1,382,100	34
New Orleans.....	17,726,707	214	17,083,700	208	17,927,400	209
Total.....	21,282,043	279	20,417,800	272	21,303,000	272
MAINE, Orono.....	854,686	11	857,900	11	869,300	11
MARYLAND						
Beltsville.....	92,554,687	1,332	85,897,800	1,323	86,985,900	1,321
Frederick.....	2,394,618	34	2,133,600	32	2,161,400	32
Hyattsville.....	478,807	7	640,600	8	647,800	8
Total.....	95,428,112	1,373	88,672,000	1,363	89,795,100	1,361
MASSACHUSETTS, Boston..	13,567,899	8	13,839,700	8	14,023,600	8
MICHIGAN, East Lansing.	4,200,116	57	3,850,200	55	3,901,300	54

STATEMENT OF OBLIGATIONS AND STAFF-YEARS BY LOCATION
(On basis of adjusted appropriation)

Location	Actual 1992		Estimated 1993		Estimated 1994	
	Dollars	Staff-Years	Dollars	Staff-Years	Dollars	Staff-Years
MINNESOTA						
East Grand Forks.....	850,779	11	956,500	11	969,200	11
Morris.....	2,650,379	46	2,412,500	44	2,440,800	44
St. Paul.....	4,604,309	56	4,194,900	54	4,240,300	53
Total.....	8,105,467	113	7,563,900	109	7,650,300	108
MISSISSIPPI						
Mississippi State....	6,529,023	98	6,483,400	96	6,566,800	95
Oxford.....	5,150,564	69	5,109,000	68	5,164,100	68
Poplarville.....	807,097	13	798,700	13	809,100	13
Stoneville.....	14,479,901	188	13,921,600	185	14,087,800	184
Total.....	26,966,585	368	26,312,700	362	26,627,800	360
MISSOURI, Columbia.....	5,325,678	65	4,781,500	61	4,837,100	61
MONTANA						
Bozeman.....	1,795,850	44	1,672,200	42	1,693,600	42
Miles City.....	2,001,551	19	1,855,300	17	1,879,900	17
Sidney.....	798,323	13	681,500	13	690,500	13
Total.....	4,595,724	76	4,209,000	72	4,264,000	72
NEBRASKA						
Clay Center.....	12,102,803	123	12,023,200	120	12,183,000	119
Lincoln.....	4,418,910	46	4,212,400	45	4,260,600	44
Total.....	16,521,713	169	16,235,600	165	16,443,600	163
NEVADA, Reno.....	520,163	9	483,300	9	489,700	9
NEW JERSEY						
Chatsworth.....	501,963	4	511,000	4	517,800	4
NEW MEXICO						
Las Cruces.....	1,522,007	23	1,431,400	23	1,450,500	22
NEW YORK						
Geneva.....	1,333,642	10	1,197,700	9	1,213,700	9
Ithaca.....	3,879,814	41	3,660,600	40	3,709,200	40
Plum Island.....	9,900,622	69	8,981,900	65	9,101,200	64
Total.....	15,114,078	120	13,840,200	114	14,024,100	113
NORTH CAROLINA						
Oxford.....	1,793,975	32	1,742,300	32	1,765,500	32
Raleigh.....	5,699,191	69	5,467,400	67	5,540,000	66
Total.....	7,493,166	101	7,209,700	99	7,305,500	98
NORTH DAKOTA						
Fargo.....	9,137,416	132	9,063,200	128	9,183,600	128
Grand Forks.....	7,298,402	65	7,264,200	64	7,360,700	64
Mandan.....	3,008,436	50	2,768,800	49	2,805,500	48
Total.....	19,444,254	247	19,096,200	241	19,349,800	240

STATEMENT OF OBLIGATIONS AND STAFF-YEARS BY LOCATION
(On basis of adjusted appropriation)

Location	Actual 1992		Estimated 1993		Estimated 1994	
	Dollars	Staff-Years	Dollars	Staff-Years	Dollars	Staff-Years
OHIO						
Columbus.....	788,828	10	760,600	10	765,100	10
Coshocton.....	1,083,447	18	956,600	17	969,300	17
Delaware.....	325,941	4	328,000	4	332,200	4
Wooster.....	2,372,615	42	2,351,700	42	2,381,200	41
Total.....	4,570,831	74	4,396,900	73	4,447,800	72
OKLAHOMA						
Durant.....	2,368,777	40	2,443,500	39	2,473,300	38
El Reno.....	1,669,687	27	1,651,200	26	1,673,100	26
Lane.....	1,734,338	31	1,709,500	30	1,732,200	30
Stillwater.....	2,303,954	37	2,361,800	37	2,393,200	37
Woodward.....	1,284,802	19	1,251,700	19	1,268,300	19
Total.....	9,361,558	154	9,417,700	151	9,540,100	150
OREGON						
Burns.....	530,549	3	490,500	3	497,100	3
Corvallis.....	4,543,313	74	4,485,400	71	4,542,700	71
Pendleton.....	1,453,568	19	1,425,300	18	1,444,200	18
Total.....	6,527,430	96	6,401,200	92	6,484,000	92
PENNSYLVANIA						
University Park.....	2,829,318	45	2,822,800	45	2,857,600	45
Wyndmoor.....	20,205,315	240	19,534,400	235	21,143,600	237
Total.....	23,034,633	285	22,357,200	280	24,001,200	282
SOUTH CAROLINA						
Charleston.....	2,588,772	43	2,562,400	42	2,595,800	42
Clemson.....	1,855,539	32	1,856,500	32	1,881,100	32
Florence.....	2,223,440	32	1,971,300	30	1,995,500	30
Total.....	6,667,751	107	6,390,200	104	6,472,400	104
SOUTH DAKOTA						
Brookings-Madison....	1,856,208	39	1,651,800	38	1,672,100	37
TENNESSEE						
Jackson.....	177,911	2	164,700	2	166,900	2
Lewisburg.....	143,457	2	144,100	2	146,000	2
Total.....	321,368	4	308,800	4	312,900	4
TEXAS						
Beaumont.....	1,059,628	17	950,500	17	962,100	16
Brownwood.....	670,256	15	573,900	14	581,500	13
Bushland.....	2,267,345	39	2,213,500	39	2,242,900	38
College Station.....	11,118,300	163	10,823,100	158	10,960,200	158
Houston.....	10,189,849	10	10,166,000	10	10,301,100	10
Kerrville.....	2,650,118	45	2,657,100	44	2,692,400	44
Lubbock.....	3,297,549	55	3,142,600	53	3,184,400	53
Temple.....	3,207,497	51	3,090,600	49	3,131,700	49
Weslaco.....	7,721,653	114	7,288,300	111	7,605,500	111
Total.....	42,182,195	509	40,905,600	495	41,661,800	492

STATEMENT OF OBLIGATIONS AND STAFF-YEARS BY LOCATION
(On basis of adjusted appropriation)

Location	Actual 1992		Estimated 1993		Estimated 1994	
	Dollars	Staff-Years	Dollars	Staff-Years	Dollars	Staff-Years
UTAH, Logan.....	4,040,983	56	3,939,100	55	3,991,400	54
VIRGINIA Suffolk	671,246	10	658,600	10	667,400	9
WASHINGTON Prosser.....	2,633,580	39	2,232,100	39	2,260,700	37
Pullman.....	7,233,833	101	6,504,100	98	6,590,500	97
Wenatchee.....	1,320,975	27	1,439,600	25	1,457,800	25
Yakima.....	2,855,502	54	2,694,600	51	2,725,000	51
Total.....	14,043,890	221	12,870,400	213	13,034,000	210
WEST VIRGINIA Beckley.....	3,421,771	53	3,489,100	52	3,534,400	52
Kearneysville.....	6,013,863	63	4,697,000	61	4,752,800	60
Total.....	9,435,634	116	8,186,100	113	8,287,200	112
WISCONSIN, Madison.....	5,544,571	69	5,141,300	68	5,209,600	67
WYOMING Cheyenne.....	1,554,268	19	1,592,800	19	1,613,900	19
Laramie.....	1,953,868	31	1,992,700	31	2,019,200	31
Total.....	3,508,136	50	3,585,500	50	3,633,100	50
PUERTO RICO Mayaguez.....	2,164,005	47	2,226,400	46	2,256,000	46
VIRGIN ISLANDS St. Croix.....	286,131	6	282,800	5	286,600	5
OTHER COUNTRIES Argentina, Buenos Aires.....	327,143	- -	279,400	- -	283,100	- -
France, Montpellier..	3,048,528	5	1,844,900	4	1,869,400	4
Korea, Seoul.....	183,664	1	180,800	1	183,200	1
Mexico, Tuxtla Gutierrez.....	951,196	6	908,900	6	921,000	6
Netherlands, Rotterdam.....	366,122	1	336,100	1	340,600	1
Total.....	4,876,653	13	3,550,100	12	3,597,300	12

STATEMENT OF OBLIGATIONS AND STAFF-YEARS BY LOCATION
(On basis of adjusted appropriation)

Location	Actual 1992		Estimated 1993		Estimated 1994	
	Dollars	Staff-Years	Dollars	Staff-Years	Dollars	Staff-Years
Extramural and Funds Administered from Headquarters....	9,017,215	- -	27,014,600	- -	28,551,300	- -
Contingency Research Fund.....	<u>1/</u>	- -	928,500	- -	928,500	- -
Repair & Maintenance of Facilities.....	16,036,124	- -	17,362,500	- -	17,362,500	- -
Unobligated Balance....	1,610,433	- -	- -	- -	- -	- -
Subtotal, Available or Estimate.....	660,423,314	8,169	660,306,000	7,992	675,590,000	7,955
Allotment to Forest Service.....	357,686	- -	361,000	- -	361,000	- -
Transfer to Off. of Sec	98,000	- -	212,000	- -	- -	- -
TOTAL, Appropriation...	660,879,000	8,169	660,879,000	7,992	675,951,000	7,955

NOTE:

1/ Obligations incurred in 1992 under the Contingency Research Fund in the amount of \$928,523 are reflected in the amount for recipient locations.

AGRICULTURAL RESEARCH SERVICE

Buildings and Facilities:

For acquisition of land, construction, repair, improvement, extension, alteration, and purchase of fixed equipment or facilities as necessary to carry out the agricultural research programs of the Department of Agriculture, where not otherwise provided, [\$34,514,000], \$24,587,000 to remain available until expended (7 U.S.C. 2209b): Provided, That facilities to house bonsai collections at the National Arboretum may be constructed with funds accepted under the provisions of Public Law 94-129 (20 U.S.C. 195) and the limitation on construction contained in the Act of August 24, 1912 (40 U.S.C. 68) shall not apply to the construction of such facilities: Provided further, That funds may be received from any State, other political subdivision, organization, or individuals for the purpose of establishing any research facility of the Agricultural Research Service, as authorized by law.

AGRICULTURAL RESEARCH SERVICEBUILDINGS AND FACILITIES

Appropriation Act, 1993.....	\$34,514,000
Budget Estimate, 1994.....	24,587,000
Decrease in Appropriation.....	<u>-9,927,000</u>

SUMMARY OF INCREASES AND DECREASES
(On basis of Appropriation)

<u>Facilities</u>	<u>1993 Estimated</u>	<u>Program Changes</u>	<u>1994 Estimated</u>
Arkansas: National Rice Research Center, Stuttgart.....	\$702,000	\$-702,000	- -
California: U.S. Salinity Laboratory, Riverside.....	3,980,000	-3,980,000	- -
Western Regional Research Center, Albany.....	- -	+4,700,000	\$4,700,000
Georgia: Poultry Disease Laboratory, Athens.....	677,000	+2,623,000	3,300,000
Illinois: National Center for Agricultural Utilization Research, Peoria.....	1,545,000	-1,545,000	- -
Iowa: National Pig Research Center, Ames.....	1,524,000	-1,524,000	- -
Louisiana: Southern Regional Research Center, New Orleans.....	1,651,000	+1,949,000	3,600,000
Maryland: Beltsville Agricultural Research Center, Beltsville.....	13,547,000	-3,547,000	10,000,000
Michigan: USDA Avian Disease Control Laboratory, East Lansing.....	212,000	-212,000	- -
Mississippi: National Center for Warmwater Aquaculture, Stoneville.....	931,000	-931,000	- -
National Center for Natural Products, Oxford.....	4,382,000	-4,382,000	- -
New York: Plum Island Animal Disease Center, Greenport.	2,540,000	+447,000	2,987,000
Ohio: Demonstration Greenhouse, Lucas County..	158,000	-158,000	- -
Oklahoma: Southern Plains Range Research Station, Woodward.....	146,000	-146,000	- -

<u>Facilities</u>	<u>1993 Estimated</u>	<u>Program Changes</u>	<u>1994 Estimated</u>
Texas: Plant Stress and Water Conservation Laboratory, Lubbock.....	1,101,000	-1,101,000	- -
Wisconsin: Cereal Crops Research Unit--Barley/Malt Laboratory, Madison.....	148,000	-148,000	- - .
France: European Biological Control Laboratory, Montpellier.....	<u>1,270,000^{1/}</u>	<u>-1,270,000^{1/}</u>	<u>- -</u>
TOTAL AVAILABLE.....	<u>34,514,000</u>	<u>-9,927,000</u>	<u>24,587,000</u>

^{1/} Includes funding in connection with facilities in Parlier, CA, and Orlando, FL.

PROJECT STATEMENT
(on basis of available funds)

PROJECT	1992 Actual		1993 Estimated		Increase or Decrease	1994 Estimated	
	AMOUNT	Staff Years	AMOUNT	Staff Years		AMOUNT	Staff Years
Total Obligations...	\$53,294,137	- -	\$41,500,000	- -	\$+2,200,000	\$43,700,000	- -
Unobligated Balances:							
Available, Start of year.	-47,607,426	- -	-59,877,289	- -	+6,986,000	-52,891,289	- -
Available, End of year.....	59,877,289	- -	52,891,289	- -	-19,113,000	33,778,289	- -
Total Available or Estimate..	65,564,000	- -	34,514,000	- -	-9,927,000	24,587,000	- -

BUILDINGS AND FACILITIES

- (1) An net decrease of \$9,927,000 for Buildings and Facilities, consisting of:

- (a) A request of \$10,000,000 for the modernization of facilities at the Beltsville Agricultural Research Center, Beltsville, Maryland.

Need for Change. The Beltsville Agricultural Research Center (BARC) was established in 1910. Current land resources total 7,000 acres and accommodate more than 800 buildings and structures in support of the full spectrum of ARS research programs, including: natural resources and environmental sciences, plant and animal productivity, product quality, and human nutrition studies. The ARS staff at Beltsville totals about 1,500, including 400 scientists.

BARC is the largest research center in ARS and is the largest agricultural research center in the world in terms of program scope and concentration of scientists. BARC has long enjoyed a worldwide image of preeminence in the agricultural scientific community because of its long history of research quality, contributions to agriculture, and prominent scientific expertise. It is the headquarters for ARS' national program leadership. In addition, 18 Federal agencies such as FDA, EPA, FGIS, and APHIS have offices or laboratories at BARC or facilities next to the Center.

However, most of the major ARS facilities and utility support systems at BARC were built in the 1930's and 1940's. Deterioration and obsolescence of these 50-year-old facilities are hampering both the scientific research and the image of BARC as the preeminent agricultural research center of the USDA. An architectural-engineering consultant which completed a comprehensive study on BARC in the late 1980's produced a modernization plan with cost estimates of \$205 million for the total facility modernization of the Center, phased over an 11-year period.

ARS is currently implementing the BARC modernization plan which specifies the necessity to incorporate a mix of construction of new structures and renovation of existing facilities, including the demolition of over 200 outmoded structures.

The FY 1993 appropriation included funds of \$13.5 million for BARC modernization. These funds are being utilized for the construction of the BARC-West Wastewater Treatment Plant, construction of Phases 2, 3 and 4 of the Range 2 Greenhouse modernization, design of the BARC-East Water Distribution System, design of a new controlled environmental facility for use as plant growth chambers, and funding for miscellaneous projects.

Nature of Change. Incremental funds of \$10 million are needed in 1994 to continue with the vigorous implementation of the BARC modernization plan. The following modernization projects will require funding in FY 1994:

BARC-WEST Electrical Upgrade. The existing electrical distribution system at BARC-WEST is in need of major renovation/replacement based on a study conducted in FY 1992 to investigate the condition of the system. Based on the results of that study, a design was initiated in FY 1993. Construction, which is estimated at \$2.2 million, is scheduled for award in FY 1994.

BARC-EAST Water Distribution System. The existing water distribution system at BARC-East is in need of major renovation/ replacement of the distribution lines and wells and design was initiated in FY 1993. Construction, which is estimated at \$7 million, is scheduled for award in FY 1994.

API-New Animal Building. This project involves replacing several outdated animal facilities at the Animal Parasitology Institute (API). A study was initiated in FY 1993 to determine whether the existing structures should be renovated or replaced. Design, which is estimated at \$530,000, is scheduled for award in FY 1994.

Miscellaneous Projects. The design and construction of small projects included in the overall modernization plan which are scheduled for award in FY 1994 are estimated at \$270,000, and include:

- Demolition of facilities.
- Parking lot and road repairs.
- Minor facility renovations to provide swing space for personnel displaced by other modernization projects.

- (b) A request of \$8,300,000 for the modernization of facilities at the ARS Regional Research Centers: Albany, California (\$4.7 Million); New Orleans, Louisiana (\$3.6 million).

Need for Change. Outmoded facilities severely limit the ability of ARS scientists to conduct advanced research. In addition, the Agency has experienced difficulties in attracting good scientists when introduced to old, deteriorated laboratory facilities. Existing facilities also contain numerous building and environmental code deficiencies. An investment of resources is essential to enable these Centers to regain the scientific capacity necessary to deliver viable and timely research discoveries that contribute to the development of new markets at home and abroad.

Due to the advanced age of these Centers, all major building systems--heating, ventilation, air-conditioning, electrical, roofs, and infrastructures (paving, steam and water lines, and waste treatment disposal systems)--have either reached or passed their useful life expectancy. Other prevalent facility deficiencies include safety and health requirements, such as asbestos removal and correction of building code upgrade requirements.

Nature of Change. Additional appropriations are required in FY 1994 to allow the Agency to proceed with the phased modernization efforts at the Western Regional Research Center (WRRRC) at Albany, California, and the Southern Regional Research Center (SRRRC) at New Orleans, Louisiana. Phased construction is necessary as individual laboratories, or wings of laboratories, are renovated due to the absence of swing spaces to house displaced scientists. The major modernization projects in FY 1994 for these two Centers are as follows:

WRRRC Chemical Wing. Construction of Phase 6 of modernization program--\$4.7 million. Construction will involve the renovation of laboratories, upgrading of utilities, new HVAC system, replacement of casework, upgrading of electrical systems, fire safety improvements to meet current codes, and asbestos abatement.

SRRC Chemical Wing. Construction of Phase 6 of modernization program--\$3.6 million. The modernization of the Chemical Wing will involve the renovation of laboratories, new HVAC system, new casework, electrical upgrade, fire safety improvements to meet current codes, and asbestos abatement.

- (c) A request of \$2,987,0000 for the modernization of the Plum Island Animal Disease Center, Greenport, New York.

Need for Change. The Plum Island Animal Disease Center (PIADC) was established by an Act of Congress in 1954. It is located on a federally-owned 840-acre island located about two miles off the eastern tip of Long Island, New York. PIADC is the only site in the United States authorized by Congress to carry out research and diagnostic work on foreign animal diseases, which are an ongoing threat to the U.S. livestock industry; e.g., foot-and-mouth disease and African swine fever.

In 1989, ARS and APHIS began to develop an overall long-range plan for the repair and maintenance of the buildings and supporting infrastructure at PIADC. Engineering studies identified the need for repairs and improvements to correct major code violations and provide mandatory safeguards against power failures. Biosecurity depends on the proper functioning of equipment and power systems.

Based on these studies, total funding in excess of \$90 million is needed for improvements at Plum Island over the next few years to bring the facilities into compliance with existing codes, as well as provide for appropriate workspace for advanced research and diagnostic activities on various foreign animal disease threats. Given the magnitude of the cost estimates, projects which must be completed in order to provide safe facilities for continued operation of Plum Island in the near term were selected for funding in FY 1994. Longer term facility requirements will be reviewed in the context of scientific advances and other operating considerations which may provide the basis for alternatives to continued operation of Plum Island in the long term.

Nature of Change. The additional funds will be used for environmental compliance projects requiring immediate repair or replacement, in compliance with Federal, State, and local environmental laws, regulations, and standards. Problems and concerns have been identified and plans are underway to provide corrective actions. It is critical that actual implementation begin no later than FY 1994 since daily fines or other legal actions by regulatory agencies are possible.

Wastewater Treatment Plant Improvement (\$1,487,000).

The existing treatment plant is in need of repair or replacement. None of the instrumentation is working and the pond liner has become brittle. Inspections by the Suffolk County Health Department and EPA have pointed out many deficiencies. A design for the repair or replacement of the system will be completed by the second quarter of 1994.

Above Ground Fuel Tank Repairs (\$1,500,000)

The existing 210,000 gallon fuel tank need upgrading to meet current regulations. A study was initiated in FY 1992 to determine the scope of repairs.

- (d) A request of \$3,300,000 for the construction of the Poultry Disease Laboratory Addition, Athens, Georgia.

Need for Change. New demands have been placed on USDA research facilities at the Southeast Poultry Research Laboratory with the outbreak of Avian influenza in Pennsylvania, Virginia, and Maryland in 1983 and 1984. This research laboratory carries out the primary effort in ARS to solve Avian disease problems associated with pathogens of foreign origin. This facility will meet both immediate and long-range needs to allow ARS scientists to address the urgent problems in lethal Avian influenza and exotic Newcastle disease for use by action agencies and the poultry industry. The facility is of national importance since research for these two exotic avian diseases is restricted to only the highest animal containment laboratories. The addition of this facility will meet high-containment needs to house research on highly lethal avian influenza.

Nature of Change. The new facility will provide about 16,000 square feet and will be a one-story structure containing animal holding and laboratory spaces designed to safely contain the most hazardous of poultry pathogens. ARS was appropriated \$400,000 in FY 1992 for the planning and design of the facility. An additional \$677,000 was appropriated in FY 1993 for facility construction. ARS is requesting an increase of \$3.3 million in FY 1994 to provide for the balance of construction funds for the facility, designed primarily to house infected poultry as well as the necessary support laboratories to carry out essential research on Avian influenza, concurrent with exotic Newcastle disease research efforts in the present containment space. This facility would provide for a more comprehensive program of research to solve exotic diseases in poultry. The full cost of construction of this facility is projected at \$4.5 million, including the \$500,000 committed by the Poultry Association towards the purchase of necessary equipment for the new laboratory.

- (e) A decrease of \$34,514,000 to delete funds provided in the FY 1993 Appropriation Act.

Need for Change. Funds for projects contained in the FY 1993 Appropriation Act are available until expended and are not required in FY 1994.

Agricultural Research Service
Status of Construction Projects as of March 1993

Status of research facilities authorized or funded in prior years and reported as uncompleted in the 1993 Explanatory Notes, is as follows:

NOTE: Design criteria, provided by ARS, specifies the program requirements for the facility and forms the basis for negotiation of architect-engineer contracts. Diagrammatic drawings or concept drawings provided the basis for the first review of the architect's design. Tentative drawings or architect's design are provided by the architect for firming up cost estimates and basis for developing the completed, and final working drawings.

<u>Location and Purpose</u>	<u>Year</u>	<u>Amount of Funds Provided</u>	<u>Description</u>
<u>Arkansas, Stuttgart</u> <u>Rice Research Center</u>	1991 Planning 1992 Planning 1993 Construction Total	\$222,997 729,000 702,000 <u>1,653,997</u>	Design contract was awarded in the Fourth Quarter of FY 1992 for completion by the First Quarter of FY 1994.
<u>California, Riverside</u> <u>U.S. Salinity</u> <u>Laboratory</u>	1987 Planning 1989 Construction 1990 Construction 1991 Construction 1992 Construction 1993 Construction Total	1,000,000 900,000 2,000,000 5,049,934 5,300,000 3,980,000 <u>18,229,934</u>	Construction contract was awarded in the Fourth Quarter of FY 1992 for completion by the Fourth Quarter of FY 1994.
<u>Colorado, Ft. Collins</u> <u>National Seed Storage</u> <u>Laboratory</u>	1988 Planning 1989 Construction 1990 Construction 1991 Construction Total	1,000,000 2,750,000 5,500,000 2,999,961 <u>12,249,961</u>	Construction of the new laboratory has been completed. Renovation of the old laboratory will be completed in the Third Quarter of FY 1993.
<u>District of Columbia</u> <u>U.S. National Arboretum,</u> <u>Brickyard Upgrade and</u> <u>New York Avenue Entrance</u> <u>Upgrade</u>	1989 Reprogrammed for Planning and Construction	2,000,000	The construction of the New York Avenue entrance and parking lot was completed in the Third Quarter of FY 1992. Design was awarded for the brickyard restoration project in the Second Quarter of FY 1993. Phase I of construction, including asbestos abatement and stabilization of two kilns and two stacks, is scheduled in the Fourth Quarter of FY 1993.

Status of Construction Projects as of March 1993 (con't.)

<u>Location and Purpose</u>	<u>Year</u>	<u>Amount of Funds Provided</u>	<u>Description</u>
Water System Upgrade	1992 Planning	\$400,000	Design contract was awarded in the Fourth Quarter of FY 1992 for completion by the Third Quarter of FY 1993.
Florida/Hawaii Emergency Relief	1992 Planning and Construction	15,000,000	The restoration of these facilities is currently in progress. The scheduling and cost estimates of specific work required to restore the facilities and grounds are being developed at this time.
Georgia, Athens Poultry Disease Laboratory	1992 Planning 1993 Construction Total	400,000 677,000 <u>1,077,000</u>	Design contract was awarded in the Third Quarter of FY 1992. Construction will not be initiated until the project is fully funded.
Illinois, Peoria National Center for Agricultural Utilization Research	1992 Planning 1993 Planning Total	1,825,000 1,545,000 <u>3,370,000</u>	The design of the Pilot Plant and the Semi-Works Building will be completed in the Third Quarter of FY 1993.
Iowa, Ames National Animal Disease Center, Necropsy	1991 Planning	299,996	The design for a stand-alone necropsy facility with an incinerator is scheduled for completion in the Third Quarter of FY 1993. Construction will not be initiated until the project is fully funded.
National Pig Research Center	1992 Planning and Construction 1993 Planning and Construction Total	1,800,000 1,524,000 <u>3,324,000</u>	Pre-design contract was awarded in the First Quarter of FY 1993. Design contract is scheduled for award in the Third Quarter of FY 1994 for completion by the First Quarter of FY 1996.

Status of Construction Projects as of March 1993 (con't.)

<u>Location and Purpose</u>	<u>Year</u>	<u>Amount of Funds Provided</u>	<u>Description</u>
<u>Louisiana, New Orleans</u> <u>Southern Regional</u> <u>Research Center</u>	1992 Construction	1,950,000	Design was completed. Facility modernization is being undertaken in phases due to the need to continue research programs during the renovation period. Phase I of construction was completed in the First Quarter of FY 1992. Phase II of construction was completed in the Second Quarter of FY 1993. Contracts for construction Phases III, IV, and V were awarded in the Fourth Quarter of FY 1992. Each phase requires one year for completion. The FY 1993 appropriation of \$1,651,000 will be utilized for design and construction of site repairs consisting of roads, curbing, drainage, etc. Design contract was awarded in the Second Quarter of FY 1993.
	1993 Planning	1,651,000	
	and Construction	3,601,000	
	Total		
<u>Maryland, Beltsville</u> <u>BARC Modernization</u> <u>of Facilities</u>	1988 Modernization	\$5,750,000	<u>Completed Projects:</u> <u>1988 Funds:</u> Design and Construction: -- Clean and Reline Waterline Systems -- Renovate Bldgs. 264, 303, 306, 307 and 476 Design: Renovation to Bldg. 007, Phases I and II Design: Renovation to Bldgs. 003 and 204 <u>1989 Funds:</u> <u>Construction:</u> -- Renovation to Bldgs. 003 and 204 -- Renovation to Bldg. 007, Phases I and II Design and Construction: -- New Small Animal Facility -- Pesticide Handling Facility -- New Boar House (Bldg. 203) Design: -- Repair/Replace Steamlines
	1989 Modernization	6,100,000	
	1990 Modernization	9,860,000	
	1991 Modernization	15,999,792	
	1992 Modernization	16,000,000	
	1993 Modernization	13,547,000	
	Total	67,256,792	

Status of Construction Projects as of March 1993 (con't.)

<u>Location and Purpose</u>	<u>Year</u>	<u>Amount of Funds Provided</u>	<u>Description</u>
<u>1990 Funds:</u>			
Construction:			
-- Repair and Replace Steamlines			
Design:			
-- Repair Powder Mill Road			
-- Upgrade Electrical Distribution System			
-- Design Range 2 Greenhouse Phases I, II and III.			
<u>1991 Funds:</u>			
Design and Construction:			
-- Commodity Storage (Central Hay Storage) Facility			
-- Waste Water Treatment Phase I - Pumping Stations East			
-- Building 005 Conference Room Addition			
Design:			
-- Dairy Research Facility			
-- Waste Water Treatment Phase 2 - Facility East			
-- (Study) Bldg. 426 Addition			
-- Bldg. 200 and 201 Facility Condition Study			
-- Renovation Bldg. 001			
-- New Plant Sciences Building			
<u>Ongoing Projects:</u>			
<u>1990 Funds:</u>			
Construction:			
-- Repair Powder Mill Road			
Completed in the First Quarter of FY 1993.			
-- Upgrade Electrical Distribution System			
Completion scheduled for the Third Quarter of FY 1993.			

Status of Construction Projects as of March 1993 (con't.)

<u>Location and Purpose</u>	<u>Year</u>	<u>Amount of Funds Provided</u>	<u>Description</u>
			<u>1992 Funds:</u>
			<u>Construction:</u>
			-- Waste Water Treatment Facility Phase 2 East scheduled for completion in the Fourth Quarter of FY 1993.
			-- Plant Sciences Facility construction began in the Second Quarter of FY 1993, to be completed in the Third Quarter of FY 1994.
			-- Range 2 Greenhouse Modernization (Phase I) scheduled for completion in the Third Quarter of FY 1993.
			-- Dairy Research Facility scheduled for completion in the Fourth Quarter of FY 1993.
			<u>Design:</u>
			-- Waste Water Treatment Facility West, scheduled for completion in the Third Quarter of FY 1993.
			<u>Planned Projects:</u>
			<u>1993 Funds:</u>
			<u>Design and Construction:</u>
			-- Water System Upgrade Design completion and construction award scheduled for the Fourth Quarter of FY 1993.
			<u>Design:</u>
			-- (Study) Animal Office/Laboratory consolidation including APU using cluster concept. Scheduled for award in the Third Quarter of FY 1993.
			-- Controlled Environmental Facility scheduled for award in the Third Quarter of FY 1993.
			-- Upgrade BARC-West electrical system scheduled for award in the Third Quarter of FY 1993.

Status of Construction Projects as of March 1993 (con't.)

<u>Location and Purpose</u>	<u>Year</u>	<u>Amount of Funds Provided</u>	<u>Description</u>
<u>Michigan, East Lansing</u> <u>Regional Poultry</u> <u>Research Center</u>	1992 Planning	\$250,000	Construction: -- Waste Water Treatment Facility West scheduled for award in the First Quarter of FY 1994. -- Design adjustments for combining Phases II, III, and IV to be completed in the Third Quarter of FY 1993 and construction to be awarded in the Fourth Quarter of FY 1993.
	1993 Planning	212,000	
	Total	462,000	
<u>Minnesota, Morris</u> <u>Soil and Water</u> <u>Laboratory</u>	1991 Planning	\$299,996	The pre-design contract, including an Environmental Assessment utilizing both FY 1992 and FY 1993 funds, was awarded in the Second Quarter of FY 1993. The FY 1993 appropriation will be used to continue with pre-design of the project which consists of four phases. The design of the facility is underway.
	1992 Construction	825,000	
	Total	1,124,996	
<u>Mississippi, Oxford</u> <u>National Center for</u> <u>Natural Products</u>	1988 Feasibility and Planning	50,000 ^{a/}	Facility is under construction with the foundation and shell scheduled for completion in the Second Quarter of FY 1993.
	1989 Planning	400,000 ^{a/}	
	1990 Planning and Construction	3,875,000 ^{b/}	
	1991 Construction	5,174,933 ^{a/}	
	1992 Construction	5,175,000 ^{a/}	
	1993 Construction	4,382,000 ^{a/}	
	Total	19,056,933	
<u>Mississippi, Stoneville</u> <u>National Center for</u> <u>Warm Water Aquaculture</u>	1991 Planning and Construction	1,199,985 ^{c/}	Construction contract has not been awarded due to excessive bids received. Bidding has been re- opened in an attempt to secure lower bids.
	1992 Construction	1,100,000 ^{c/}	
	1993 Construction	931,000 ^{c/}	
	Total	3,230,985	

Status of Construction Projects as of March 1993 (con't.)

<u>Location and Purpose</u>	<u>Year</u>	<u>Amount of Funds Provided</u>	<u>Description</u>
New York, Greenport Plum Island Animal Disease Center Consolidation of Facilities	1981 Building 257 Construction Redirection 1989 Construction Default Settlement 1990 Default Interest 1991 APHIS share of Consolidation 1992 APHIS share of Consolidation 1992 ARS Construction Total	1,200,000 7,805,398 3,006,003 5,241,450 1,496,000 3,000,000 <u>21,748,851</u>	Construction contract awarded in the Fourth Quarter of FY 1992 covering the renovation of Building 101 and the building addition to consolidate ARS and APHIS programs on the Island. Construction is scheduled to be completed in the Fourth Quarter of FY 1994.
Modernization of Facilities	1993 Design and Construction	\$2,540,000	Building 101 Chiller Replacement design was completed in the First Quarter of FY 1992. Construction award is anticipated in the Third Quarter of FY 1993. Design contract for above- and below-ground fuel storage tank replacements will be awarded in the Third Quarter of FY 1993. A construction contract for sludge removal will be awarded in the Fourth Quarter of FY 1993.
North Dakota, Fargo Plant Science Greenhouse Complex, North Dakota State University	1991 Planning and Construction	424,995	The design of the greenhouse complex was completed in the Third Quarter of FY 1992. Solicitation for construction bids issued in the Fourth Quarter of FY 1992 exceeded funds available and the solicitation was cancelled. Re-design was completed in the First Quarter of FY 1993, with a construction award anticipated in the Third Quarter of FY 1993.

Status of Construction Projects as of March 1993 (con't.)

<u>Location and Purpose</u>	<u>Year</u>	<u>Amount of Funds Provided</u>	<u>Description</u>
<u>Ohio, Lucas County</u> <u>Demonstration Greenhouse</u>	1992 Planning and Construction 1993 Construction Total	187,000 ^{c/} 158,000 ^{c/} <u>345,000</u>	Funds will be provided through a grant award in FY 1993.
<u>Oklahoma, Lane</u> <u>South Central</u> <u>Agricultural Research</u> <u>Center</u> <u>Phase III Construction</u>	1989 Planning 1990 Planning 1991 Construction 1992 Construction Total	140,000 150,000 1,449,981 1,725,000 <u>3,464,981</u>	Construction of Phases IIIA and IIIB will be completed in the Fourth Quarter of FY 1993.
<u>Oklahoma, Woodward</u> <u>Greenhouse for the</u> <u>Southern Plains Range</u> <u>Research Station</u>	1992 Planning and Construction 1993 Design/ Construction Total	173,000 146,000 <u>319,000</u>	Design was completed in the Second Quarter of FY 1992. Construction of the greenhouse was awarded in the Fourth Quarter of FY 1992 and was completed in the First Quarter of 1993. FY 1993 appropriated funds will be utilized for design and construction of a headhouse.
<u>Oregon, Corvallis</u> <u>Northwest Small Fruit</u> <u>Center</u>	1990 Feasibility Study 1991 Planning 1992 Construction Total	\$50,000 174,998 1,900,000 <u>2,124,998</u>	Design contract was awarded in the Second Quarter of FY 1992 for completion by the Third Quarter of FY 1993. A construction contract will be awarded in the Fourth Quarter of FY 1993.
<u>South Carolina, Charleston</u> <u>U.S. Vegetable</u> <u>Laboratory</u>	1988 Feasibility 1990 Planning and Construction Total	50,000 1,135,000 <u>1,185,000</u>	A contract for design of Phase I of the facility was awarded in the Third Quarter of FY 1991 and will be completed in the Third Quarter of FY 1993.
<u>Texas, Lubbock</u> <u>Plant Stress and</u> <u>Water Conservation</u> <u>Laboratory</u>	1978 Feasibility 1979 Planning 1984 Planning 1990 Construction 1991 Planning 1992 Construction 1993 Construction Total	100,000 800,000 500,000 500,000 599,992 1,300,000 1,101,000 <u>4,900,992</u>	Construction of Phase I-Headhouse/Greenhouse will be completed by the Third Quarter of FY 1993. A contract for Phase II-main Laboratory/Office Building design was awarded in the Third Quarter of FY 1992 for completion by the Third Quarter of FY 1993. Construction of Phase II will not begin until construction has been fully funded.

Status of Construction Projects as of March 1993 (con't.)

<u>Location and Purpose</u>	<u>Year</u>	<u>Amount of Funds Provided</u>	<u>Description</u>
<u>Texas, Weslaco</u> <u>ARS Bee Laboratory</u>	1990 Planning	340,000	A construction contract was awarded in the Third Quarter of FY 1992 with completion expected by the First Quarter of FY 1994.
	1991 Construction	1,699,978	
	1992 Construction	1,700,000	
	Total	<u>3,739,978</u>	
<u>Washington, Yakima</u> <u>U.S. Fruit and</u> <u>Vegetable Laboratory</u>	1988 Planning	1,000,000	Design of facility is scheduled for completion by the Third Quarter of FY 1993. Construction contract is scheduled for award in the Fourth Quarter of FY 1993 with completion anticipated by the Fourth Quarter of FY 1995.
	1989 Construction	900,000	
	1990 Construction	1,000,000	
	1991 Construction	5,049,934	
	1992 Construction	5,050,000	
	Total	<u>12,999,934</u>	
<u>Wisconsin, Madison</u> <u>Greenhouse for the</u> <u>Cereal Crops Research</u> <u>Unit, Barley and Malt</u> <u>Laboratory</u>	1992 Planning and Construction	175,000	Pre-design contract to be awarded in the Fourth Quarter of FY 1993.
	1993 Construction	148,000	
	Total	<u>323,000</u>	
<u>ARS Facilities,</u> <u>Miscellaneous</u>	1993 Relocation	\$1,270,000	The 1993 appropriation provides that these funds be used for relocation of three laboratories: Montpelier, France; Parlier, California; Orlando, Florida. The following projects will be undertaken in FY 1993 using these funds: (1) Pre-design of the new laboratory at Parlier, CA; (2) planning and design of the new laboratory at Montpelier, FR; 3) master plan and environmental assessment of the new site for the Orlando laboratory.

Footnotes:

a/ Appropriated to ARS and transferred to CSRS.

b/ Appropriated to CSRS.

c/ Grant Award.

AGRICULTURAL RESEARCH SERVICE

Passenger Motor Vehicles

The passenger motor vehicles of Agricultural Research Service (ARS) are used almost exclusively by professional research investigators and technical personnel. In the course of their daily work these personnel may need to travel to field plots, demonstration sites, watersheds, other research work sites, individual farms, ranches, commercial firms, State agricultural experiment stations, etc. In this type of work a high degree of mobility is required.

It is the policy of ARS to pool the use of motor vehicles for different activities in order to keep the number of vehicles to a minimum and reduce overall costs of maintenance. Monthly vehicle operation reports are required and periodic surveys are made to determine the extent to which vehicles are being used and their condition.

Replacement of passenger motor vehicles.

It is proposed to replace 46 of 462 vehicles currently in operation. These vehicles are located at field stations and are used in connection with research studies and technical assistance. Vehicle replacement is based on funding priority, program management, mileage, and age eligibility.

Age and Mileage Data for passenger-carrying vehicles on hand as of September 30, 1992.

<u>Age-Year Model</u>	<u>Number of Vehicles*</u>	<u>Percent of Total</u>	<u>Lifetime Mileage</u> (thousands)	<u>Number of Vehicles</u>	<u>Percent of Total</u>
1987-or older	369	80	100 and above	22	5
1988	19	4	80-100	52	11
1989	23	5	60-80	80	17
1990	25	5	40-60	127	27
1991	15	3	20-40	93	20
1992	<u>11</u>	<u>3</u>	Under 20	<u>88</u>	<u>20</u>
Total	<u>462</u>	<u>100</u>		<u>462</u>	<u>100</u>

* Includes six vehicles used in foreign countries and six buses.

Aircraft

The Agency currently maintains a fleet of seven owned aircraft, located at College Station, Texas, and Weslaco, Texas. These specially modified and equipped research aircraft are used in pest control methods, application of agricultural materials, radar tracking of airborne insect migration, infrared and color photography, and evaluating effects of weather on agriculture.

COOPERATIVE STATE RESEARCH SERVICE

Purpose Statement

Cooperative State Research Service is the U.S. Department of Agriculture's principal entree to the university system of the United States for the purpose of conducting agricultural research and education programs as authorized by the Hatch Act of 1887, as amended (7 U.S.C. 361a-361i); the Cooperative Forestry Research Act of 1962, as amended (16 U.S.C. 582a-7); Public Law 89-106, Section (2), as amended (7 U.S.C. 450i); and the National Agricultural Research, Extension, and Teaching Policy Act of 1977, as amended (7 U.S.C. 3101 et seq.). Through these authorities, the U.S. Department of Agriculture participates with State and other sources of funding to encourage and assist the State institutions in the conduct of agricultural research and education through the State Agricultural Experiment Stations of the 50 States and the territories; by approved Schools of Forestry; the 1890 Land-Grant Institutions and Tuskegee University; Colleges of Veterinary Medicine; and other eligible institutions.

Cooperative State Research Service participates in a nationwide system of agricultural research and education program planning and coordination among the State institutions, U.S. Department of Agriculture and the agricultural industry of America. Program coordination and planning are carried out by a Cooperative State Research Service staff located entirely in the Washington, D.C. area. This headquarters unit serves more than 12,000 scientists in the university system of the United States. As of September 30, 1992, there were 203 full-time employees and 25 other than full-time employees.

COOPERATIVE STATE RESEARCH SERVICE

Available Funds and Staff-Years

1992 Actual and Estimated, 1993 and 1994

Item	1992 Actual	Staff: Years	1993 Estimated	Staff: Years	1994 Estimated	Staff: Years
Direct Appropriations:						
Cooperative State Research Service ...	432,712,000	198	432,993,000	211	431,407,000	251
Buildings and Facilities	74,770,000	10	52,101,000	10	- -	- -
Total, Direct Appropriations	507,482,000	208	485,094,000	221	431,407,000	251
Obligations under other USDA						
appropriations:						
Alternative Agricultural Research and Commercialization Center:						
Administrative Support.....	10,750	- -	50,000	- -	50,000	- -
Biobased Prods. Exec. Summary.....	- -	- -	5,000	- -	- -	- -
Technology 2000.....	- -	- -	1,000	- -	- -	- -
Agricultural Cooperative Service:						
Facilitator's Workshop.....	3,000	- -	- -	- -	- -	- -
Agricultural Research Service:						
Evaluation Studies	162,750	- -	167,750	- -	167,750	- -
Biotech. Risk Assessment.....	773,000	- -	905,900	- -	905,900	- -
Plant Foods & Bevs. in the Diet.....	17,500	- -	- -	- -	- -	- -
Water Quality Program.....	181,000	- -	181,000	- -	181,000	- -
Water Quality Project.....	- -	- -	5,000	- -	- -	- -
Office of Small Scale Agriculture...	63,836	1	- -	- -	- -	- -
Biotechnica Exhibition.....	1,130	- -	- -	- -	- -	- -
Biobased Industrial Products.....	12,500	- -	- -	- -	- -	- -
AFEX.....	10,850	- -	- -	- -	- -	- -
AMPP Crosscut Study.....	12,500	- -	- -	- -	- -	- -
Biobased Prods. Exec. Summary.....	- -	- -	5,000	- -	- -	- -
Research Apprenticeship Program.....	- -	- -	250,000	- -	250,000	- -
Agricultural Stabilization and Conservation Service:						
Demonstration & Instr. Farm Project..	55,080	- -	55,080	- -	54,540	- -
Animal and Plant Health Inspection Service:						
Crown & Root Buds of Leafy Spurge...	24,000	- -	- -	- -	- -	- -
Leafy Spurge Control.....	49,000	- -	24,000	- -	- -	- -
Bioeconomic Models for Leafy Spurge..	48,600	- -	48,600	- -	- -	- -
Biotechnica Exhibition.....	1,080	- -	- -	- -	- -	- -
US-EC Biotechnology Workshop.....	5,000	- -	- -	- -	- -	- -
Office of Agricultural Biotechnology:						
Euonymous Scale Control.....	- -	- -	21,463	- -	- -	- -
Biocontrol of Sweet Potato Whitefly..	- -	- -	30,000	- -	- -	- -
Biocontrol of Sweet Potato Whitefly..	- -	- -	25,000	- -	- -	- -
Economic Management Staff:						
Special Programs.....	21,056	- -	- -	- -	- -	- -

	1992	1993	1994			
	Actual	Estimated	Estimated			
Item	Amount	Staff: Years	Amount	Staff: Years	Amount	Staff: Years
Economic Research Service:						
Biobased Industrial Products.....	5,000	- -	- -	- -	- -	- -
Extension Service:						
Rural Development Centers.....	2,000	- -	- -	- -	- -	- -
Biotechnica Exhibition.....	1,130	- -	- -	- -	- -	- -
Federal Grain Inspection Service:						
Research Science Program.....	77,760	- -	- -	- -	- -	- -
Food Safety and Inspection Service:						
Symposium for Public Voice.....	10,800	- -	10,800	- -	10,800	- -
Veterinary Products Info. System....	40,000	- -	40,000	- -	40,000	- -
Animal Biotechnology Conference.....	5,400	- -	- -	- -	- -	- -
Office of Agricultural Biotechnology:	- -	- -	23,000	- -	- -	- -
Beef Study.....	- -	- -	108,000	- -	- -	- -
E. Coli Study.....	- -	- -	40,000	- -	- -	- -
Forest Service:						
Biotech. Risk Assessment.....	43,000	- -	62,000	- -	85,000	- -
Forestry Research.....	8,590	- -	- -	- -	- -	- -
Atmospheric Deposition.....	111,145	- -	137,996	- -	137,996	- -
International Chestnut Symposium....	8,100	- -	- -	- -	- -	- -
AMPP Crosscut Study.....	1,000	- -	- -	- -	- -	- -
Biobased Industrial Products.....	12,500	- -	- -	- -	- -	- -
National Agricultural Library:						
Information Services	2,529	- -	2,529	- -	2,529	- -
Biotechnica Exhibition.....	1,130	- -	- -	- -	- -	- -
Office of Energy:						
Biobased Industrial Products.....	12,500	- -	- -	- -	- -	- -
AFEX.....	3,000	- -	- -	- -	- -	- -
Various agencies sharing cost of						
USDA Small Business Innovation						
Research Program (SBIR)	592,675	- -	1,049,456	- -	1,170,633	- -
Various research agencies sharing						
cost of Current Research Information:						
System (CRIS)	761,200	9	761,200	9	761,200	9
Other Anticipated Reimbursements....	- -	- -	24,318	- -	223,235	- -
Total, Other USDA Appropriations....	3,152,091	10	4,034,092	9	4,040,583	9
Total Agriculture Appropriations....	510,634,091	218	489,128,092	230	435,447,583	260
Other Federal Funds:						
Army Corps of Engineers:						
Computerized Environmental Resources:	120,000	- -	174,761	- -	- -	- -
Regional Recreation Demand Models...	150,000	- -	150,000	- -	150,000	- -
Economic Impact Models.....	92,880	- -	- -	- -	- -	- -
Waterway Network Research.....	65,750	- -	42,392	- -	- -	- -
Economic Valuation of Wetlands.....	27,000	- -	27,000	- -	- -	- -
Ecological Functions of Wetlands....	193,024	- -	- -	- -	- -	- -
Functional Level of Created Marshes..	95,844	- -	- -	- -	- -	- -
Local Public Finance Impact Model...	70,000	- -	70,000	- -	70,000	- -
User Fees Study.....	- -	- -	32,400	- -	- -	- -
Outdoor Recreation Opportunities....	- -	- -	38,837	- -	58,050	- -
Moist Soil Management.....	- -	- -	26,465	- -	25,532	- -

Item	1992		1993		1994	
	Actual		Estimated		Estimated	
	Amount	Staff: Years	Amount	Staff: Years	Amount	Staff: Years
Department of Commerce, NOAA,						
Atmospheric Deposition.....	80,002	- -	200,260	- -	200,260	- -
Department of Defense:						
Biodegradable Plastics Research.....	2,365,000	- -	2,000,000	- -	- -	- -
Department of Interior:						
Bureau of Land Management,						
Atmospheric Deposition	88,328	- -	63,000	- -	63,000	- -
Incentive-Based Grazing Fee.....	74,854	- -	229,905	- -	- -	- -
Geological Survey, Atmospheric						
Deposition	499,081	- -	482,518	- -	482,518	- -
National Park Service, Atmospheric						
Deposition	102,064	- -	124,225	- -	124,225	- -
Environmental Protection Agency:						
Atmospheric Deposition	38,637	- -	53,640	- -	53,640	- -
US-EC Biotechnology Workshop.....	10,000	- -	- -	- -	- -	- -
Nitrogen Testing for Water Quality..	30,000	- -	- -	- -	- -	- -
Sust. Farming Practices Demon.....	1,000	- -	- -	- -	- -	- -
Agric. in Concert with Environment..	1,000,000	- -	900,000	- -	1,000,000	- -
Sustainable Agric. Demonstration....	15,000	- -	- -	- -	- -	- -
Sewage Sludge on Land.....	- -	- -	800,000	- -	- -	- -
Food and Drug Administration:						
Veterinary Products Info. System ...	54,000	- -	54,000	- -	- -	- -
US-EC Biotechnology Workshop.....	4,000	- -	- -	- -	- -	- -
General Accounting Office:						
Wheat Marketing Export.....	- -	- -	25,920	- -	- -	- -
National Marine Fisheries Services:						
Hatchery-Reared Oysters.....	10,000	- -	- -	- -	- -	- -
National Science Foundation:						
US-EC Biotechnology Workshop.....	10,000	- -	- -	- -	- -	- -
Naval Medical Research Institute:						
Enteric Diseases Program.....	67,583	- -	- -	- -	- -	- -
Office of Naval Research:						
US-EC Biotechnology Workshop.....	10,000	- -	- -	- -	- -	- -
Office of Science & Technology Policy:						
Scientific Services.....	- -	- -	24,075	- -	- -	- -
Tennessee Valley Authority,						
Atmospheric Deposition	17,279	- -	22,192	- -	22,192	- -
Other Anticipated Reimbursements....	- -	- -	24,318	- -	3,310,000	- -
Total, Other Federal Funds.....	5,291,326	- -	5,565,908	- -	5,559,417	- -
Total, Cooperative State Research						
Service.....	515,925,417	218	494,694,000	230	441,007,000	260

COOPERATIVE STATE RESEARCH SERVICE

Permanent Positions by Grade and Staff-Year Summary

1992 and Estimated 1993 and 1994

	1992	1993	1994
Grade	Headquarters	Headquarters	Headquarters
ES-6	1	1	1
ES-5	2	2	2
ES-4	2	3	3
Senior Level	4	4	4
GS/GM-15	39	40	41
GS/GM-14	21	21	23
GS/GM-13	14	15	22
GS-12	21	22	24
GS-11	14	15	17
GS-10	2	2	2
GS-9	18	19	23
GS-8	4	4	4
GS-7	24	26	31
GS-6	28	30	36
GS-5	19	19	20
GS-4	11	11	11
GS-3	1	1	1
Total Permanent Positions	225	235	265
Unfilled Positions: end-of-year	-21	-10	-10
Total, Permanent Employment, end- of-year	204	225	255
Staff-Years: Ceiling	218	230	260

COOPERATIVE STATE RESEARCH SERVICE

CLASSIFICATION BY OBJECTS

1992 and Estimated 1993 and 1994

	1992	1993	1994
Personnel Compensation:			
Headquarters	\$9,123,318	\$9,876,000	\$10,189,000
Field	- -	- -	- -
11 Total Personnel Compensation.....	9,123,318	9,876,000	10,189,000
12 Personnel Benefits	1,566,719	1,695,000	1,749,000
13 Benefits for former personnel	5,758	6,000	6,000
Total Pers. Comp. & Benefits .	10,695,795	11,577,000	11,944,000
Other Objects:			
21 Travel	1,540,165	1,590,000	1,590,000
22 Transportation of things	67,506	69,000	65,000
23.3 Communications, utilities & miscellaneous charges	813,309	818,000	781,000
24 Printing and reproduction.	305,757	309,000	309,000
25.1 Consulting.....	202,650	203,000	277,000
25.2 Other services	3,849,382	3,187,129	702,999
26 Supplies and materials ...	289,371	299,000	286,000
31 Equipment	355,479	405,000	389,000
41 Grants, subsidies and contributions	477,453,808	483,608,871	415,063,001
Total other objects.....	484,877,427	490,489,000	419,463,000
Total direct obligations	495,573,222	502,066,000	431,407,000
Position Data:			
Average Salary, ES positions	\$107,340	\$110,209	\$110,209
Average Salary, SL positions	\$93,150	\$96,131	\$96,131
Average Salary, GM/GS positions	\$41,462	\$42,453	\$41,394
Average Grade, GM/GS positions	10.00	9.98	9.93

COOPERATIVE STATE RESEARCH SERVICE

The estimates include proposed changes in the language of this item as follows (new language underscored; deleted matter enclosed in brackets):

Cooperative State Research Service:

- For payments to agricultural experiment stations, for cooperative forestry and other research, for facilities, and for other expenses, including [\$168,785,000] \$173,451,000 to carry into effect the provisions of the Hatch Act approved March 2, 1887, as amended, including administration by the United States Department of Agriculture, penalty mail costs of agricultural experiment stations under section 6 of the Hatch Act of 1887, as amended, and payments under section 1361(c) of the Act of October 3, 1980 (7 U.S.C. 301n.); [\$18,533,000] \$19,045,000 for grants for cooperative forestry research under the Act approved October 10, 1962 (16 U.S.C. 582a-582-a7), as amended, including administrative expenses, and payments under section 1361(c) of the Act of October 3, 1980 (7 U.S.C. 301n.); [\$27,400,000] \$28,157,000 for payments to the 1890 land-grant colleges, including Tuskegee University, for research under section 1445 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3222), as amended, including administration by the United States Department of Agriculture, and penalty mail costs of the 1890 land-grant colleges, including Tuskegee University; [\$73,411,000] \$34,418,000 for
- 1 [contracts and] special grants for agricultural research under section 2(c) of the Act of August 4, 1965, as amended (7 U.S.C. 450i[];)(c)), including administrative expenses; [\$97,500,000] \$100,195,000 for competitive
 - 2 research grants under section 2(b) of the Act of August 4, 1965, as amended (7 U.S.C. 450i(b)), including administrative expenses; [\$5,551,000 for the support of animal health and disease programs authorized by section 1433 of Public Law 95-113, including administrative expenses; \$1,168,000] \$3,000,000 for supplemental and alternative crops and products as
 - 3 authorized by the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3319d); [\$400,000 for grants for research pursuant to the Critical Agricultural Materials Act of 1984 (7 U.S.C. 178) and section 1472 of the Food and Agriculture Act of 1977, as amended (7 U.S.C. 3318), to remain available until expended; \$475,000] \$489,000 for
 - 4 rangeland research grants as authorized by subtitle M of the National Agricultural Research, Extension, and Teaching Policy Act of 1977, as amended; [\$3,500,000] \$3,597,000 for higher education graduate fellowships grants under section 1417(b)(6) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977, as amended (7 U.S.C. 3152(b)(6)), including administrative expenses; [\$1,500,000] \$1,542,000 for
 - 5 higher education challenge grants under section 1417(b)(1) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977, as amended (7 U.S.C. 3152(b)(1)), including administrative expenses; \$1,000,000 for a higher education minority scholars program under section 1417(b)(2) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977, as amended (7 U.S.C. 3152(b)(2)), including administrative expenses; [\$4,000,000] \$4,111,000 for grants as authorized by section 1475 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 and other Acts; [\$6,725,000] \$6,911,000 for sustainable agriculture research and education, as authorized by section 1621 of Public Law 101-624 (7 U.S.C. 5811), including administrative
- expenses; [\$400,000 for State agricultural weather information systems pursuant to section 1640 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 3318);] and [\$20,795,000] \$13,641,000 for necessary expenses of Cooperative State Research Service activities, including coordination and program leadership for higher education work of the

Department, administration of payments to State agricultural experiment stations, funds for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), of which [~~\$10,250,000~~] \$11,500,000 shall be for a program of capacity building grants to colleges eligible to receive funds under the Act of August 30, 1890 (7 U.S.C. 321-326 and 328), including Tuskegee University, of which not to exceed \$100,000 shall be for employment under 5 U.S.C. 3109; in all, [~~\$430,143,000~~] \$389,557,000.

The first change revises the language to make specific reference to special grants, consistent with the amendment to this authority in the Food, Agriculture, Conservation, and Trade Act of 1990; adds language to provide for administrative expenses; and clarifies the U.S. Code citation.

The second change deletes language for the animal health and disease research program. No funding is proposed for this program in fiscal year 1994.

The third change deletes language for research pursuant to the Critical Agricultural Materials Act of 1984. No funding is proposed for this program in fiscal year 1994.

The fourth change adds language for a higher education minority scholars program.

The fifth change deletes language for State agricultural weather information systems. No funding is proposed for this program in fiscal year 1994.

COOPERATIVE STATE RESEARCH SERVICE

Appropriations Act, 1993	\$430,143,000
Morrill-Nelson	2,850,000

Total, Appropriations Act, 1993	432,993,000
Budget Estimate, 1994	392,407,000

Decrease in Appropriations	-40,586,000
	=====

SUMMARY OF INCREASES AND DECREASES

Item of Change -----	1993 Estimated -----	Pay Cost -----	Other Changes -----	1994 Estimated -----
Payments under the Hatch Act ...	\$168,785,000	- -	+\$4,666,000	\$173,451,000
Cooperative forestry research ..	18,533,000	- -	+512,000	19,045,000
Payments to 1890 colleges and Tuskegee University	27,400,000	- -	+757,000	28,157,000
Special research grants	86,579,000	- -	-37,650,000	48,929,000
National Research Initiative competitive grants	97,500,000	- -	+2,695,000	100,195,000
Animal health and disease research, Section 1433	5,551,000	- -	-5,551,000	- -
Federal administration (direct appropriation)	20,795,000	+367,000	-7,521,000	13,641,000
Higher education:				
Morrill-Nelson	2,850,000	- -	- -	2,850,000
Other	5,000,000	- -	+1,139,000	6,139,000
	-----	-----	-----	-----
Total Available	432,993,000	+367,000	-40,953,000	392,407,000
	=====	=====	=====	=====
Recap:				
Direct appropriations	430,143,000	+367,000	-40,953,000	389,557,000
Permanent appropriations	2,850,000	- -	- -	2,850,000
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TOTAL	432,993,000	+367,000	-40,953,000	392,407,000
	=====	=====	=====	=====

PROJECT STATEMENT
(Or basis of appropriation)

Project	1992 Actual		1993 Estimated		Increase or Decrease	1994 Estimated	
	Amount	Staff: Years	Amount	Staff: Years		Amount	Staff: Years
1. Hatch Act							
Research program:							
Formula funds	\$124,306,970		\$124,474,746		+\$3,359,520	\$127,834,268	
Regional research.	39,482,313		39,482,313		+1,166,500	40,648,813	
Subtotal	163,789,283		163,957,061		+4,526,020	168,483,081	
Federal Admin. (3%)	4,827,939		4,827,939		+139,980	4,967,919	
Total	168,617,222	60	168,785,000	60	+4,666,000 (1)	173,451,000	69
2. Cooperative Forestry							
Research:							
Research program ..	17,977,010		17,977,010		+496,640	18,473,650	
Federal Admin. (3%)	555,990		555,990		+15,360	571,350	
Total	18,533,000	6	18,533,000	6	+512,000 (2)	19,045,000	7
3. Payments to 1890							
Colleges & Tuskegee							
University:							
Research program ..	26,578,000		26,578,000		+734,290	27,312,290	
Federal Admin. (3%)	822,000		822,000		+22,710	844,710	
Total	27,400,000	10	27,400,000	10	+757,000 (3)	28,157,000	11
4. Special Research							
Grants:							
Aflatoxin research,							
Illinois	134,000		134,000		-134,000	- -	
Agribusiness manage-							
ment, Mississippi ..	75,000		75,000		-75,000	- -	
Agricultural diversifi-							
cation, Hawaii ..	154,000		154,000		-154,000	- -	
Agricultural manage-							
ment systems, MA ..	261,000		261,000		-261,000	- -	
Agricultural Process-							
ing, Georgia	- -		50,000		-50,000	- -	
Agricultural trade,							
North Dakota	350,000		350,000		-350,000	- -	
Alfalfa research, KS	125,000		125,000		-125,000	- -	
Alternative cropping							
systems in the							
Southeast, S. Carolina .	278,000		278,000		-278,000	- -	
Alternative crops,							
North Dakota	700,000		700,000		-700,000	- -	
Alternative marine &							
fresh water species,							
Mississippi	275,000		275,000		-275,000	- -	
Alternative pest							
control, Arkansas .	1,400,000		1,400,000		-1,400,000	- -	
Alternative to							
Oinoseb, Oregon ...	225,000		225,000		-225,000	- -	
Animal Science Food							
Safety Consortium .	1,942,000		1,942,000		-1,942,000	- -	
Animal waste dis-							
posal, Michigan ...	120,000		120,000		-120,000	- -	
Appalachian hard-							
woods, West Virginia	(a)		- -		- -	- -	
Apple quality re-							
search, Michigan ..	94,000		94,000		-94,000	- -	
Aquaculture research							
(general)	316,000		316,000		-316,000	- -	
Aquaculture, Illinois	200,000		200,000		-200,000	- -	
Aquaculture, LA	390,000		390,000		-390,000	- -	

Project	1992 Actual		1993 Estimated		Increase or Decrease	1994 Estimated	
	Amount	Staff: Years:	Amount	Staff: Years:		Amount	Staff: Years:
Aquaculture, Stone- ville, Mississippi	\$700,000	:	\$700,000	:	-\$700,000	- -	:
Asparagus yield decline, Michigan	94,000	:	94,000	:	-94,000	- -	:
Babco Institute, WI	75,000	:	75,000	:	-75,000		:
Bean and beet re- search, Michigan	189,000	:	189,000	:	-189,000	- -	:
Beef carcass eval- uation and identifi- cation	210,000	:	210,000	:	-210,000	- -	:
Beef fat content, IA	237,000	:	237,000	:	-237,000	- -	:
Biodiesel research, MO	- -	:	50,000	:	-50,000	- -	:
Broom snakeweed, NM	200,000	:	200,000	:	-200,000	- -	:
Canola research, KS	100,000	:	100,000	:	-100,000	- -	:
Celery fusarium, MI	39,000	:	39,000	:	-39,000	- -	:
Center for animal health and productivity, PA	- -	:	134,000	:	-134,000	- -	:
Center for rural studies, Vermont	37,000	:	37,000	:	-37,000	- -	:
Chesapeake Bay aqua- culture, Maryland	437,000	:	437,000	:	-437,000	- -	:
Competitiveness of agriculture prod- ucts, Washington	800,000	:	800,000	:	-800,000	- -	:
CONSOIL, Wisconsin	25,000	:	75,000	:	-75,000	- -	:
Controlled environ- mental production systems, PA	240,000	:	240,000	:	-240,000	- -	:
Cool season legume research	387,000	:	387,000	:	-387,000	- -	:
Cottonseed extraction and oil refining, TX	75,000	:	75,000	:	-75,000	- -	:
Cranberry/blueberry disease & breeding, New Jersey	260,000	:	260,000	:	-260,000	- -	:
CRP acreage usage, Missouri	50,000	:	- -	:	- -	- -	:
Dairy goat research, Prairie View A&M, Texas	75,000	:	75,000	:	-75,000	- -	:
Delta rural revitali- zation, Mississippi	175,000	:	175,000	:	-175,000	- -	:
Dogwood anthracnose, Georgia, N. Carolina and Tennessee	137,000	:	137,000	:	-137,000	- -	:
Dried bean research, North Dakota	100,000	:	100,000	:	-100,000	- -	:
Eastern filbert blight, Oregon	85,000	:	85,000	:	-85,000	- -	:
Energy biomass/ biofuels	- -	:	- -	:	+1,000,000	\$1,000,000	:
Enhanced livestock production, ND	250,000	:	- -	:	- -	- -	:
Environmental re- search, New York ..	575,000	:	575,000	:	-575,000	- -	:
Ethanol research, AR	175,000	:	- -	:	- -	- -	:
Expanded wheat pasture, Oklahoma	337,000	:	337,000	:	-337,000	- -	:
Export development, Kentucky	227,000	:	227,000	:	-227,000	- -	:
Farm and rural busi- ness finance, Illi- nois and Arkansas	125,000	:	125,000	:	-125,000	- -	:
Farm computer tech- nology, Georgia ...	- -	:	100,000	:	-100,000	- -	:
Fish marketing, Oregon and RI	340,000	:	340,000	:	-340,000	- -	:

Project	1992 Actual		1993 Estimated		Increase or Decrease	1994 Estimated	
	Amount	Staff: Years:	Amount	Staff: Years:		Amount	Staff: Years:
Floriculture, Hawaii	\$296,000	:	\$296,000	:	-\$296,000	--	:
Food & Agriculture Policy Institute, Iowa & Missouri ...	750,000	:	750,000	:	-750,000	--	:
Food irradiation, IA	237,000	:	237,000	:	-237,000	--	:
Food Marketing Policy Center, Connecticut	393,000	:	393,000	:	-393,000	--	:
Food processing center, Nebraska ..	50,000	:	50,000	:	-50,000	--	:
Food systems group, Wisconsin	261,000	:	261,000	:	-261,000	--	:
Forestry marketing, VT and NH	50,000	:	50,000	:	-50,000	--	:
Genetic engineering of plants, Ohio ...	240,000	:	--	:	--	--	:
Global change	2,000,000	:	2,000,000	:	+1,000,000	\$3,000,000	:
Grasshopper biocon- trol, North Dakota.	75,000	:	75,000	:	-75,000	--	:
Great Plains Agri- culture Policy Center, KS and OK .	100,000	:	100,000	:	-100,000	--	:
Human nutrition, Iowa	500,000	:	500,000	:	-500,000	--	:
Human nutrition, LA.	800,000	:	800,000	:	-800,000	--	:
Human nutrition, NY.	735,000	:	735,000	:	-735,000	--	:
Improved dairy man- agement, PA	335,000	:	335,000	:	-335,000	--	:
Integrated orchard management, Vermont	(a)	:	--	:	--	--	:
Integrated pest management and biological control	4,457,000	:	4,457,000	:	+2,543,000	7,000,000	:
Integrated produc- tion systems, OK ..	193,000	:	190,000	:	-190,000	--	:
International live- stock program, KS .	94,000	:	--	:	--	--	:
Iowa Biotechnology Consortium	1,953,000	:	2,000,000	:	-2,000,000	--	:
Irrigation/fish pro- duction, Arkansas .	167,000	:	--	:	--	--	:
Kansas facility study	50,000	:	--	:	--	--	:
Leafy spurge bio- control, Montana ..	125,000	:	--	:	--	--	:
Livestock & dairy policy, New York & Texas	525,000	:	525,000	:	-525,000	--	:
Lowbush blueberry research, Maine ...	185,000	:	185,000	:	-185,000	--	:
Low-input agric., MN	230,000	:	230,000	:	-230,000	--	:
Maple research, VT .	99,000	:	99,000	:	-99,000	--	:
Massachusetts Biotech- nology	--	:	256,000	:	-256,000	--	:
Mechanical tomato harvester, PA	134,000	:	--	:	--	--	:
Mesquite and prickly pear, Texas	100,000	:	--	:	--	--	:
Michigan Biotechno- logy Institute ...	2,358,000	:	2,358,000	:	-2,358,000	--	:
Midwest agricultural products, Iowa	700,000	:	700,000	:	-700,000	--	:
Midwest Biotechnology Consortium	2,865,000	:	2,865,000	:	-2,865,000	--	:
Milk safety, PA	284,000	:	184,000	:	-184,000	--	:
Milkweed research, Nebraska	80,000	:	--	:	--	--	:
Mink research, Oregon	46,000	:	--	:	--	--	:

Project	1992 Actual		1993 Estimated		Increase or Decrease	1994 Estimated	
	Amount	Staff: Years	Amount	Staff: Years		Amount	Staff: Years
Minor crop pest control, Hawaii ...	\$285,000		\$285,000		-\$285,000	- -	
Minor use animal drugs	464,000		464,000		+186,000	\$650,000	
Mosquito research, riceland agro-ecosystem	453,000		- -		- -	- -	
Multi-commodity research, OR	- -		300,000		-300,000	- -	
Multi-cropping strategies for aquaculture, Hawaii ...	150,000		150,000		-150,000	- -	
National Biological Impact Assessment Program	300,000		300,000		- -	300,000	
Nematode resistance genetic engineering, New Mexico	150,000		150,000		-150,000	- -	
New uses for agricultural products, Ohio	140,000		140,000		-140,000	- -	
Nonfood agricultural products, Nebraska.	110,000		110,000		-110,000	- -	
Oil from jojoba, NM	200,000		200,000		-200,000	- -	
Oregon/Massachusetts biotechnology	537,000		- -		- -	- -	
Peach tree short life, South Carolina	192,000		192,000		-192,000	- -	
Perishable commodities, Georgia	- -		250,000		-250,000	- -	
Pest control alternatives	125,000		125,000		-125,000	- -	
Pesticide clearance.	3,500,000		3,500,000		+6,500,000	10,000,000	
Pesticide impact assessment	2,968,000		2,968,000		- -	2,968,000	
Pesticide research, Washington	667,000		667,000		-667,000	- -	
Phytophthora root rot, New Mexico ...	150,000		150,000		-150,000	- -	
Potato research	1,435,000		1,435,000		-1,435,000	- -	
Potato utilization, ND	- -		250,000		-250,000	- -	
Poultry research, GA	172,000		516,000		-516,000	- -	
Preservation and processing, Oklahoma .	282,000		267,000		-267,000	- -	
Procerum root disease, Vermont	25,000		25,000		-25,000	- -	
Product development and marketing center, Maine	221,000		221,000		-221,000	- -	
Red River Corridor, MN & ND	200,000		200,000		-200,000	- -	
Regional barley gene mapping project ...	412,000		412,000		-412,000	- -	
Regionalized implications of farm programs, Missouri and Texas	348,000		348,000		-348,000	- -	
Rural development centers	500,000		500,000		- -	500,000	
Rural economic development, Georgia ...	744,000		- -		- -	- -	
Rural environmental research, Illinois.	125,000		125,000		-125,000	- -	
Rural housing needs, NE	- -		80,000		-80,000	- -	
Rural policies institute, Arkansas, Nebraska, Missouri	525,000		692,000		-692,000	- -	
Russian wheat aphid.	437,000		437,000		-437,000	- -	
Safflower research, N. Dakota & Montana	250,000		250,000		-250,000	- -	
Sandhills grazing management practices							
Nebraska	99,000		- -		- -	- -	

Project	1992 Actual		1993 Estimated		Increase or Decrease	1994 Estimated	
	Amount	Staff: Years	Amount	Staff: Years		Amount	Staff: Years
Seafood and aqua- culture harvesting, processing, market- ing, Mississippi ..	\$361,000	:	\$361,000	:	-\$361,000	--	:
Seafood research, OR	--	:	327,000	:	-327,000	--	:
Seedless table grapes, Arkansas	(a)	:	--	:	--	--	:
Small fruit research, Oregon, Washington, Idaho	187,000	:	187,000	:	-187,000	--	:
Soil and water re- search, Ohio	--	:	240,000	:	-240,000	--	:
Southwest consortium for plant genetics & water resources ...	400,000	:	400,000	:	-400,000	--	:
Soybean bioproc- essing, Iowa	275,000	:	328,000	:	-328,000	--	:
Soybean cyst nema- tode, Missouri	359,000	:	359,000	:	-359,000	--	:
STEEP II - Water quality in Pacific Northwest	980,000	:	980,000	:	-980,000	--	:
Stone fruit decline, Michigan	283,000	:	283,000	:	-283,000	--	:
Subirrigation re- search, Michigan ..	531,000	:	531,000	:	-531,000	--	:
Sunflower insects, North Dakota and South Dakota	200,000	:	200,000	:	-200,000	--	:
Sustainable agriculture and natural re- sources, PA	--	:	100,000	:	-100,000	--	:
Sustainable agri- culture systems, NE	70,000	:	70,000	:	-70,000	--	:
Swine research, MN .	140,000	:	140,000	:	-140,000	--	:
TCK smut (wheat) ...	250,000	:	250,000	:	-250,000	--	:
Technology transfer development, Iowa .	100,000	:	--	:	--	--	:
Tropical & sub- tropical research .	3,320,000	:	3,320,000	:	-3,320,000	--	:
Urban pests, Georgia	76,000	:	76,000	:	-76,000	--	:
Water conservation, KS	--	:	94,000	:	-94,000	--	:
Water conservation, Nevada	200,000	:	200,000	:	-200,000	--	:
Water management, AL	398,000	:	398,000	:	-398,000	--	:
Water quality	9,000,000	:	8,950,000	:	+50,000	\$9,000,000	:
Weed control, ND ...	500,000	:	500,000	:	-500,000	--	:
Wheat genetics, KS .	159,000	:	159,000	:	-159,000	--	:
Wheat marketing, OR	300,000	:	--	:	--	--	:
White mold research, Ohio	55,000	:	55,000	:	-55,000	--	:
Wild rice research, Minnesota	88,000	:	88,000	:	-88,000	--	:
Wood utilization ...	2,852,000	:	4,153,000	:	-4,153,000	--	:
Wool research	250,000	:	250,000	:	-250,000	--	:
World food systems, Indiana and Ohio ..	368,000	:	368,000	:	-368,000	--	:
Federal Admin. (4%).	(2,925,200)	:	(2,936,440)	:	(-1,559,720)	(1,376,720)	:
Total	73,130,000	:	73,411,000	:	-38,993,000	34,418,000	:
Critical Agricultural Materials Act of 1984 Research program ..	388,000	:	388,000	:	-388,000	--	:
Federal Admin. (3%)	12,000	:	12,000	:	-12,000	--	:
Total	400,000	:	400,000	:	-400,000	--	:
Rangeland Research Grants (Subtitle M): Research program ..	460,750	:	460,750	:	+13,580	474,330	:
Federal Admin. (3%)	14,250	:	14,250	:	+420	14,670	:
Total	475,000	:	475,000	:	+14,000	489,000	:

Project	1992 Actual		1993 Estimated		Increase or Decrease	1994 Estimated	
	Amount	Staff: Years	Amount	Staff: Years		Amount	Staff: Years
Aquaculture Centers, Section 1475:							
Research program ..	\$3,880,000		\$3,880,000		+\$107,670	\$3,987,670	
Federal Admin. (3%)	120,000		120,000		+3,330	123,330	
Total	4,000,000		4,000,000		+111,000	4,111,000	
Sustainable Agric. Program	6,523,250		6,523,250		+180,420	6,703,670	
Federal Admin. (3%)	201,750		201,750		+5,580	207,330	
Total	6,725,000		6,725,000		+186,000	6,911,000	
Supplemental and Alternative Crops, Sec. 1473D:							
Crambe/Rapeseed ...	500,000		500,000		-500,000	- -	
Guayule research ..	668,000		668,000		-668,000	- -	
Advanced Materials.	- -		- -		+3,000,000	3,000,000	
Federal Admin. (3%)	(35,040)		(35,040)		(+54,960)	(90,000)	
Total	1,168,000		1,168,000		+1,832,000	3,000,000	
State Agricultural Weather Information System, Sec. 1640 .	388,000		388,000		-388,000	- -	
Federal Admin. (3%)	12,000		12,000		-12,000	- -	
Total	400,000		400,000		-400,000	- -	
	86,298,000	35	86,579,000	37	-37,650,000 (4)	48,929,000	37
5. National Research Initiative Competitive Grants (NRI):							
Natural Resources and Environment ...	18,000,000		18,000,000		- -	18,000,000	
Nutrition, Food Quality, & Health .	6,500,000		6,500,000		- -	6,500,000	
Plant Systems	40,000,000		40,000,000		+2,695,000	42,695,000	
Animal Systems	25,000,000		25,000,000		- -	25,000,000	
Processing for value- added products	4,000,000		4,000,000		- -	4,000,000	
Rural development, markets, and trade (b)	4,000,000		4,000,000		- -	4,000,000	
Federal Admin. (4%)	(3,900,000)		(3,900,000)		(+107,800)	(4,007,800)	
Total	97,500,000	59	97,500,000	72	+2,695,000 (5)	100,195,000	72
6. Animal Health and Disease Research, Section 1433:							
Research program ...	5,328,960		5,328,960		-5,328,960	- -	
Federal Admin. (4%)	222,040		222,040		-222,040	- -	
Total	5,551,000	2	5,551,000	2	-5,551,000 (6)	- -	- -
7. Federal Administra- tion (Direct App.) (c)							
Gulf Coast shrimp ..	3,500,000		3,500,000		-3,500,000	- -	
Mississippi Valley State University ..	668,000		668,000		-668,000	- -	
Iowa State-Center for Ag. & Rural Dev. ..	750,000		750,000		-750,000	- -	
Geographic Informa- tion System Pilot Program	1,000,000		1,000,000		-1,000,000	- -	
Vocational Agri- culture Curriculum.							
Aquaculture	500,000		500,000		-500,000	- -	
Maize Genetics Re- search Center, Univ. of North Dakota ...	400,000		400,000		-400,000	- -	

Project	1992 Actual		1993 Estimated		Increase or Decrease	1994 Estimated	
	Amount	Staff: Years	Amount	Staff: Years		Amount	Staff: Years
Herd Management Prog.							
Tennessee State Univ	\$475,000		\$475,000		-\$475,000	- -	
Alternative Fuels							
Characterization Lab							
University of MD ..	250,000		250,000		-250,000	- -	
Water Quality, So.							
Illinois University	750,000		750,000		-750,000	- -	
Water Quality, Univ.							
of North Dakota ...	500,000		500,000		-500,000	- -	
Office of Grants and							
Program Systems ...	334,000		334,000		-226,000	\$108,000	
Office of Agricul-							
tural Biotechnology	400,000		400,000		- -	400,000	
Ag in the Classroom.	208,000		208,000		+8,000	216,000	
Peer Panels	260,000		260,000		+240,000	500,000	
Previous Year Pay Costs	550,000		550,000		- -	550,000	
New Pay Costs	- -		- -		+367,000	367,000	
1890 Capacity							
Building Grants ...	10,250,000		10,250,000		+1,250,000	11,500,000	
Total	20,795,000	18	20,795,000	16	-7,154,000 (7)	13,641,000	16
8. Higher Education:							
Graduate Fellowships							
Grants	3,500,000		3,500,000		+97,000	3,597,000	
Institution Challenge							
Grants	1,500,000		1,500,000		+42,000	1,542,000	
Morrill-Nelson Funds							
(Permanent Appro.).	2,850,000		2,850,000		- -	2,850,000	
Minority Scholars							
Program	- -		- -		+1,000,000	1,000,000	
Federal Admin. (3%)	(150,000)		(150,000)		(+34,170)	(184,170)	
Total	7,850,000	8	7,850,000	8	+1,139,000 (8)	8,989,000	9
Total, Obligations	432,544,222	198	432,993,000	211	-40,586,000	392,407,000	221
Unobligated balance ...	+167,778		- -				
Total, Appropriation ..	432,712,000	198	432,993,000	211			
Investment Proposals ..						39,000,000	30
Total, President's Budget:						431,407,000	251

(a) Funds were rescinded for three Special Research Grants totaling \$849,000 per P.L. 102-298.

(b) Name changed from Markets, Trade, and Policy in 1994.

(c) The amounts listed in this table do not include all the costs associated with the items within the Direct Federal Administration activity. The amounts listed below are the additional costs that are funded for these purposes from the administrative set-aside of program funds.

Project	1992 Actual	1993 Estimated	1994 Estimated
Ag in the Classroom	\$2,671	0	0
Office of Agricultural			
Biotechnology	230,944	\$223,526	\$229,761
Peer Panels	778,792	790,000	700,000
Office of Grants and			
Program Systems	5,756,494	6,636,110	6,764,453
Other, Federal			
Administration	6,768,901	7,649,636	7,694,214

EXPLANATION OF PROGRAM

The funds appropriated for the Cooperative State Research Service (CSRS) provide the Federal Government's support for research and education programs at land-grant agricultural experiment stations, approved schools of forestry, the 1890 land-grant institutions and Tuskegee University, colleges of veterinary medicine, and other eligible institutions in the fifty States and in Puerto Rico, Guam, the Virgin Islands, the District of Columbia, American Samoa, Micronesia, and the Northern Mariana Islands.

The State institutions conduct research and experiments on the problems continuously encountered in the development of a permanent and sustaining agriculture and forestry, and in the improvement of the economic and social welfare of rural and urban families. Because of differences in climate, soil, market outlets, and other local conditions, each State has distinct problems in the production and marketing of crops and livestock. Farmers, foresters, and rural people in the individual States naturally look to their State Agricultural Experiment Stations, universities, and colleges for solution of the State and local problems and request services to help meet changing conditions.

Research programs at State institutions, to be most effective, include participation in regional and national programs. Joint effort by a group of State institutions is the most effective and often the only practical approach to problems of common interest. The stations are acting together as regional groups to provide cooperative, coordinated attacks on problems of regional and national interest. In a similar manner, the research programs of the State institutions and the Department of Agriculture are complementary and interdependent.

The Federal formula funds constitute a powerful force in bringing about inter-State cooperation and Federal-State collaboration in the planning and conduct of this overall program of agricultural research. Therefore, the impact of the Federal formula funds is far greater than would be expected solely on the basis of the amount of funds provided.

Research at the State institutions is organized into a program of projects that is submitted for approval by the Cooperative State Research Service. The program of projects is financed wholly or in part from Federal formula and grant funds. Programs and projects are evaluated periodically with station scientists by administrators and scientific staff of the Cooperative State Research Service. The evaluation includes consideration of quality and productivity of the program and projects. The continuing process of research evaluation by station scientists and the staff of the Cooperative State Research Service results in a dynamic program with approximately 15 to 20 percent of the projects being replaced by new and/or revised projects each year.

The Department's higher education mission is carried out in strong alliance with States, universities, and the private sector. Recognizing the significance of this alliance, the Food and Agriculture Act of 1977 designated USDA as the lead Federal agency for higher education in the food and agricultural sciences. Through the CSRS Office of Higher Education Programs, USDA has implemented that charge with a broad array of initiatives to link teaching, research, and extension and improve the training of food and agricultural scientists and professionals. Most of these efforts were informal until 1984, when the Department initiated the National Needs Graduate Fellowships Grants Program to develop expertise in areas with scientific shortages. This role was expanded significantly in recent years by implementation of the Higher Education Challenge Grants Program and the 1890 Institution Teaching and Research Capacity Building Grants Program, both of which are intended to strengthen the quality of education programs at U.S. colleges and universities.

Appropriations for the Cooperative State Research Service activities are authorized under the following Acts:

1. Payments to agricultural experiment stations under the Hatch Act - Agricultural Experiment Stations Act of August 11, 1955, Hatch Act of 1887 as amended - 7 U.S.C. 361a-361i, Public Law 92-318; Public Law 93-471; Public Law 95-113, as amended; Public Law 95-134; Public Law 96-205; Public Law 96-374; Public Law 96-597; Public Law 97-98; Public Law 98-213; Public Law 98-454; Public Law 99-198; Public Law 99-396; Public Law 101-624.

Funds under the Hatch Act are allocated to the State Agricultural Experiment Stations of the 50 States, District of Columbia, Puerto Rico, Guam, the Virgin Islands, Micronesia, American Samoa, and Northern Mariana Islands for research to promote a sound and prosperous agriculture and rural life. The Hatch Act provides that the distribution of Federal payments to States for fiscal year 1955 shall become a fixed base and that any sums appropriated in excess of the 1955 level shall be distributed in the following manner:

- 20% shall be allotted equally to each State.
- not less than 52% shall be allotted to the States as follows:
 - one-half in an amount proportionate to the relative rural population of each State to the total rural population of all States, and
 - one-half in an amount proportionate to the relative farm population of each State to the total farm population of all States.
- not more than 25% shall be allotted to the States for cooperative research in which two or more State Agricultural Experiment Stations are cooperating to solve problems that concern the agriculture of more than one State.
- 3% shall be available to the Secretary of Agriculture for the administration of this Act.

The Act also provides that any amount in excess of \$90,000 available for allotment to any State, exclusive of the regional research fund, shall be matched by the State out of its own funds available for research, and for the establishment and maintenance of facilities necessary for the performance of such research. Also, in the case of Guam, the Virgin Islands, Micronesia, American Samoa, and Northern Mariana Islands, agencies are required by law to waive any requirement for local matching funds under \$200,000. If any State fails to make available a sum equal to the amount in excess of their matching requirement to which it may be entitled, the remainder of such amount shall be withheld by the Secretary of Agriculture and reapportioned among the States.

Three percent of funds appropriated under the Hatch Act is set-aside for Federal administration. Administration includes disbursement of funds and a continuous review and evaluation of the research programs of the State Agricultural Experiment Stations supported wholly or in part from Hatch funds. The Cooperative State Research Service encourages and assists in the establishment of cooperation within and between the States, and also actively participates in the planning and coordination of research programs between the States and the Department at the regional and national levels.

2. Cooperative Forestry Research - The Cooperative Forestry Research Act of October 10, 1962, 16 U.S.C. 582a-7; Public Law 96-374; Public Law 97-98; Public Law 99-198; Public Law 101-624.

The Act authorizes funding of research in State institutions certified by a State representative designated by the governor of each State. The Act provides that appropriated funds be apportioned among States as determined by the Secretary after consultation with a national advisory council of not fewer than sixteen members representing Federal and State agencies concerned

with developing and utilizing the Nation's forest resources, the forest industries, the forestry schools of the State-certified eligible institutions, State Agricultural Experiment Stations, and volunteer public groups concerned with forests and related natural resources. Determination of apportionments follows consideration of pertinent factors including areas of non-Federal commercial forest land, volume of timber cut from growing stock, and the non-Federal dollars expended on forestry research in the State. The Act also provides that payments must be matched by funds made available and budgeted from non-Federal sources by the certified institutions for expenditure for forestry research. Three percent of funds appropriated under this Act is set-aside for Federal administration.

3. Payments to 1890 Colleges and Tuskegee University - The National Agricultural Research, Extension, and Teaching Policy Act of 1977, Section 1445, Public Law 95-113; Public Law 95-547; Public Law 97-98; Public Law 99-198; Public Law 101-624.

Public Law 95-113, as amended, provides for support of continuing agricultural research at colleges eligible to receive funds under the Act of August 30, 1890, including Tuskegee University. Beginning with fiscal year 1979, there shall be appropriated funds for each fiscal year, an amount not less than 15 percent of the total for such year under Section 3 of the Act of March 2, 1887. Distribution of payments made available under section 2 of the Act of August 4, 1965, for fiscal year 1978 are a fixed base and sums in excess of the 1978 level shall be distributed as follows:

- 3% shall be available to the Secretary of Agriculture.
- Payments to States in fiscal year 1978 is a fixed base. Of funds in excess of this amount:
 - 20% shall be allotted equally to each State.
 - 40% shall be allotted in an amount proportionate to the rural population of the State in which the eligible institution is located to the total rural population of all the States in which eligible institutions are located, and
 - 40% shall be allotted in an amount proportionate to the farm population of the State in which the eligible institution is located to the total farm population of all the States in which eligible institutions are located.

Allotments to Tuskegee University and Alabama A&M University shall be determined as if each institution were in a separate State. Three percent of the funds appropriated under this Act is set-aside for Federal administration.

4. Special Research Grants- Section 2(c), Act of August 4, 1965, 7 U.S.C. 450i(c), as amended by Public Law 95-113; Public Law 97-98; Public Law 98-284; Public Law 99-198; Public Law 101-624.

Section 2(c) of the Act of August 4, 1965, as amended, authorizes Special Research Grants for periods not to exceed five years to State Agricultural Experiment Stations, all colleges and universities, other research institutions and organizations, Federal agencies, private organizations or corporations, and individuals for the purpose of conducting research to facilitate or expand promising breakthroughs in areas of the food and agricultural sciences of importance to the United States; and to State Agricultural Experiment Stations, land-grant colleges and universities, research foundations established by land-grant colleges and universities, colleges and universities receiving funds under the Act of October 10, 1962, and accredited schools or colleges of veterinary medicine for the purpose of facilitating or expanding ongoing State-Federal food and agricultural research programs. Special Research Grants are awarded on the discretionary basis as well as using a competitive peer panel process in the selection of proposals to be funded. Four percent of funds appropriated for this program is set-aside for Federal administration.

Research grants are also awarded under the Critical Agricultural Materials Act, Public Law 98-284, as amended. Rangeland Research Grants are awarded in accordance with Subtitle M of Public Law 97-98. Grants are awarded to aquaculture centers under section 1475(d) of Public Law 95-113, as amended. Grants for supplemental and alternative crops are awarded under section 1473D of Public Law 95-113. Grants for sustainable agriculture research and education are awarded under section 1621 of Public Law 101-624. Grants for State agricultural weather information systems are awarded under section 1640 of Public Law 101-624. Three percent of funds appropriated for these programs is set-aside for Federal administration.

5. National Research Initiative Competitive Grants - Section 2(b), Act of August 4, 1965, 7 U.S.C. 450i(b), as amended by Public Law 95-113; Public Law 97-98; Public Law 99-198; Public Law 101-624.

Section 2(b) of the Act of August 4, 1965, as amended, authorizes Competitive Research Grants for periods not to exceed five years to State Agricultural Experiment Stations, all colleges and universities, other research institutions and organizations, Federal agencies, private organizations or corporations, and individuals to further the programs of the Department of Agriculture. By obtaining the participation of outstanding researchers in the entire U.S. scientific community, emphasis will be placed on research in the areas of natural resources and the environment; nutrition, food quality, and health; plant systems; animal systems; rural development, markets, and trade; and processing for value-added products. Four percent of funds appropriated for this program is set-aside for Federal administration.

6. Animal Health and Disease Research - The National Agricultural Research, Extension, and Teaching Policy Act of 1977, Section 1433, Public Law 95-113; Public Law 97-98; Public Law 99-198; Public Law 101-624.

Section 1433 provides for support of livestock and poultry disease research in accredited schools or colleges of veterinary medicine or State Agricultural Experiment Stations that conduct animal health and disease research. These funds shall be distributed as follows:

- 4% shall be retained by the Department of Agriculture for administration, program assistance to the eligible institutions, and program coordination.
- 48% shall be distributed in an amount proportionate to the value of and income to producers from domestic livestock and poultry in each State to the total value of and income to producers from domestic livestock and poultry in all the States.
- 48% shall be distributed in an amount proportionate to the animal health research capacity of the eligible institutions in each State to the total animal health research capacity in all the States.

Eligible institutions must provide non-Federal matching funds in States receiving annual amounts in excess of \$100,000 under this authorization.

7. Federal Administration (direct appropriation) - Authority for direct appropriations is provided in the annual Agriculture, Rural Development, Food and Drug Administration and Related Agencies Appropriations Act. These funds are used to provide support services in connection with planning and coordination of all programs administered by Cooperative State Research Service. Certain research and higher education program grants, including the 1890 Institution Teaching and Research Capacity Building Grants Program, are also funded under this item.

8. Higher Education - The National Agricultural Research, Extension, and Teaching Policy Act of 1977, Section 1417, Public Law 95-113; Public Law 97-98; Public Law 99-198; Second Morrill Act of 1890; Public Law 100-339; Public Law 101-624.

Higher Education-Graduate Fellowships Grants pursuant to Section 1417(b)(6) are awarded on a competitive basis to colleges and universities to conduct graduate training programs to stimulate the development of food and agricultural scientific expertise in targeted national need areas. Typically graduate students in the food and agricultural sciences require a minimum of four years to complete a doctoral degree. The USDA fellowships program provides support for doctoral study for three years, and the universities are expected to support the student's fourth year of dissertation research. Three percent of funds appropriated for this program is set-aside for Federal administration.

Institution Challenge Grants pursuant to Section 1417 (b)(1) are designed to stimulate and enable colleges and universities to provide the quality of education necessary to produce graduates capable of strengthening the Nation's food and agricultural scientific and professional workforce. All federal funds awarded under this program must be matched by the universities on a dollar-for-dollar basis from non-Federal sources. Three percent of funds appropriated for this program is set-aside for Federal administration.

The Minority Scholars Program pursuant to Section 1417 (b)(2) will increase the ethnic and cultural diversity of the food and agricultural scientific and professional work force and advance the educational achievement of minority Americans. It is open to all colleges and universities with baccalaureate and higher degrees in Agriculture, Forestry, Natural Resources, Home Economics, Veterinary Medicine, and closely allied fields. Federal funds provide three years of scholarship support; the college or university provides the fourth year of support for completion of the baccalaureate degree. Three percent of funds appropriated for this program is set-aside for Federal administration.

Higher education in the food and agricultural sciences at the land-grant institutions is also supported through a permanent appropriation in the Second Morrill Act of 1890, as amended. Each state and territory receives \$50,000 per year.

Audit Reports

#13099-01-KC, 1/24/92, OIC audit of Small Business Innovation Research Program for fiscal years 1987 and 1988 (open).

#13600-01-AT, 9/30/92, OIG audit of Cooperative State Research Service for fiscal years 1989 and 1990 (open).

#50563-83-KC, 2/6/92, OMB Circular A-110 audit of University of Missouri System, for fiscal year ended 6/30/90 (closed).

#50565-0-CH, 7/8/92, OMB Circular A-128 audit of University of Illinois, for 2-year period ended 6/30/90 (open).

#50568-246-KC, 4/2/92, OMB Circular A-128 audit of state of Iowa (Iowa State University) for the year ended 6/30/90 (open).

#50568-457-SF, 3/2/92, OMB Circular A-128 audit of state of Arizona for the year ended 6/30/89 (closed).

#50568-92-HY, 3/17/92, OMB Circular A-128 audit of Virginia Polytechnic Institute and State University for the year ended 6/30/90 (closed).

#50563-82-KC, 2/10/92, OMB Circular A-133 audit of University of Nebraska for year ended 6/30/90 (closed).

#50563-84-KC, 6/3/92, OMB Circular A-110 audit of Brigham Young University for year ended 8/31/90 (closed).

#7415- Single audit report, 8/31/92, OMB Circular A-133 audit of University of Alaska for fiscal years ended 6/30/90 and 6/30/91 (open).

#13097-1-TE, 8/10/92, OIG audit of Cooperative Agreements at Texas A&M University (open).

#50568-173-TE, 12/5/91, OMB Circular A-128 audit of Prairie View A&M University for year ended 8/31/90 (closed).

#50568-249-KC, 6/5/92, OMB Circular A-128 audit University of South Dakota for year ended 6/30/90 (closed).

Audits In Progress

Audit of Small Business Innovation Research Program
Audit of Cooperative Agreements

Program Reviews

RCDE-92-233, 9/30/92, GAO Review of Sustainable Agriculture: Program Management, Accomplishments, and Opportunities (open).

JUSTIFICATION OF INCREASES AND DECREASES

- (1) An increase of \$4,666,000 for payments to States under the formula provisions of the Hatch Act program (\$168,785,000 available in 1993).

Need for Change. Agriculture continues to face many short-term challenges and a long-term need for new technology that will ensure competitiveness in both the domestic and international marketplace and at the same time preserve and protect our natural resources for future generations. The Hatch funds are the foundation upon which the remaining Federal funds build, including the National Research Initiative and Special Research Grants plus funds from the States and private industry. Funding of the Hatch program is a high priority because it supports the basic laboratory facilities, scientists, and graduate students necessary for the long-term stability of agricultural research. The Hatch program allows the Land-Grant Universities the maximum flexibility to support research of the highest priority and at the same time assure the strong working relationship between the USDA and the State Agricultural Experiment Station (SAES) System.

The SAES need increased resources to address high priority local, regional, and national food and agricultural research issues. The continuing awareness of the necessity for environmentally friendly technologies that enhance our natural and renewable resources, preserve environmental quality and still permit the production of food and fiber at the lowest possible cost is a continuing challenge for our National Cooperative Agricultural System.

Nature of Change. The requested resources will be used to assist the State Agricultural Experiment Stations in maintaining strong base programs across a broad spectrum of high priority research areas. The research conducted by the SAES has been complementary and cooperative with that performed by Federal researchers in contributing to the high level and efficiency of food and fiber production. The effectiveness of research is enhanced by comprehensive knowledge of the characteristics of the production areas and close interaction among the researchers and research users. Research is expanding into new areas and disciplines to meet such challenges as the development of new technology, crops, and markets. These funds will provide the State Agricultural Experiment Stations with continued flexibility needed to address high priority food and agricultural research issues, such as food safety, improved human nutrition, maintaining and protecting water quality and quantity, safe and effective management of plant pests, international markets and trade, and reducing disease losses in animals. The Budget proposes to increase the 1993 appropriation by 2.8 percent for increased operating costs.

- (2) An increase of \$512,000 for payments to States under the Cooperative Forestry Research program (\$18,533,000 available in 1993).

Need for Change. The National Research Council's report, Forestry Research, A Mandate for Change, describes the need for increased forestry research funding to meet the needs of the Nation. Public interest in forestry and related environmental questions continues to increase rapidly. The need for forestry scientists will continue to increase throughout the world as we develop larger populations and ever increasing needs for wood. The universities wherein the Cooperative Forestry Research program is conducted have a very broad array of scientific capabilities which are available to work on these projects. Federal agencies frequently turn to these university scientists for the expertise to work on high priority problems. There is a close working relationship between CSRS, Forest Service, and the universities.

Nature of Change. Forest scientists must be educated by involving them in research projects. This program is unparalleled in its ability to produce the forest scientists which will be needed. The Budget proposes to increase the 1993 appropriation by 2.8 percent for increased operating costs. There is also an investment proposal of \$9.0 million for this program on regional forest ecosystem research.

- (3) An increase of \$757,000 for payments to the 1890 Land-Grant Colleges and Tuskegee University under the formula provisions of the Evans-Allen program (\$27,400,000 available in 1993).

Need for Change. The general public and the agricultural research and extension systems all have expressed concern for the prudent use and management of natural resources in the food and agriculture system. Stewardship of our environment and the development of new ways or new technology to minimize detrimental effects on natural resources is a major agenda for the agricultural system. More emphasis should be given to the efficient use of natural resources with increased attention on soil erosion, non-point pollution and water quality. The southern region where the 1890 Colleges and Universities are located is especially vulnerable to environmental damage of the natural resources because of high annual rainfall and erodability of the land. The region has a high density of small farms, and small farmers have not quickly put to use new conservation technology. Therefore, efforts to help small farmers conserve natural resources must be increased.

Nature of Change. Program emphasis will be changed to provide more research information to small farmers on specialty crops, innovative farm-based enterprises, diversified production, and natural resources management. The research will provide information for long-term solutions in natural resource management. Aquaculture research will focus on generating information of use to small farmers in management of water supplies and the pollution concerns associated with aquaculture water management. Emphasis on water quality and water quantity will be highlights of the research program. Researchers will investigate safe and efficient use of pesticides and will give increased attention to biocontrol. Social scientists will assess the implications of water quality impairment on human health and develop data on social behavior. More research is needed to determine production, use, fate and transport of contaminants and their affects on health and resource systems. Research is also needed to develop information on the assessment and integration of data for determining the impacts of agricultural practices on other organisms and ecosystems. The Budget proposes to increase the 1993 appropriation by 2.8 percent for increased operating costs.

- (4) A net decrease of \$37,650,000 for Special Research Grants, Aquaculture Centers, Sustainable Agriculture, Rangeland Research, Supplemental and Alternative Crops, Critical Agricultural Materials Act, and State Agricultural Weather Information Systems (\$86,579,000 available in 1993) consisting of:

- (a) An increase of \$1,000,000 for Energy Biomass/Biofuels Special Research Grant (No funding available in 1993).

Need for Change. There is a serious need to stimulate the use of transportation biofuels through a research program focused on substitution of renewable biomass energy sources, such as ethanol and biodiesel. Agriculture in the United States has a tremendous capacity to increase starch-derived ethanol as well as to produce herbaceous and woody biomass feedstocks for conversion into ethanol. Biomass fuels are being used, both on and off the farm, however, these fuels are far from reaching their potential. The potentials are many faceted: There are economic benefits

to producers of the feedstocks, rural jobs for those involved in conversion, marketing, etc., and major environmental benefits from cleaner sources of energy. Use of biofuels could eventually decrease the amount of fossil fuels needed from foreign sources, and reduce farm program costs resulting in a more favorable trade balance and a reduction in the amount of carbon currently being injected into the atmosphere from fossil fuels. Additional ethanol could be made from corn without adversely impacting food costs. There are also other grain crops and lignocellulosic feedstocks that are potential sources for alcohol production. Diesel fuels can be made from vegetable oils including sunflower, safflower, soybean, cottonseed, rapeseed, canola, corn, coconut, and peanut oils or animal tallow.

Nature of Change. Use of biomass for transportation fuels provides for a short carbon cycle (versus a long cycle through fossil fuels) and lower net carbon contribution to the atmosphere when compared to conventional fuels. In general, biofuels result in lower airborne pollutants compared to coal and petroleum fuels. The challenge for this \$1 million research program is to help find ways of reducing the costs for ethanol associated with the production/collection of feedstocks, improving the yields and conversion rates of alcohol processes, and developing new uses of the co-products. In addition, improved yields of oilseed crops, improved extraction processes, the development of improved technologies to modify the chemical and physical properties of oils, and the development of new uses for the co-products will result in more acceptable biodiesel fuels at lower costs. Additionally, more jobs will be created and the U. S. economy will benefit.

- (b) An increase of \$1,000,000 for Global Change Special Research Grant (\$2,000,000 available in 1993).

Need for Change. There is a lack of data on the geographical and temporal trends in UV-B radiation. A monitoring network is essential to determine these trends as this part of the solar spectrum can be detrimental to crops, trees, animals and humans. During the past several years, there are indications that as a result of stratospheric ozone reduction, there could be an increase of UV-B radiation at the earth's surface. This increase is needed for expansion of the monitoring network. It has been reviewed and coordinated with other Federal research agencies through a government-wide global change initiative.

Nature of Change. Total funding of \$3,000,000 for UV-B will allow for the expansion and operation of a national monitoring network for obtaining base line UV-B information at ground level. As envisioned, the overall operation of this program will include the development of 6-8 intensive sites at which sophisticated research instruments will be used to collect very high quality data; deploy a network of less costly, rugged field instruments which will provide more complete trends and status data; and build a network with a capacity to interact with both types of instruments and make the data available to scientists and the public.

- (c) An increase of \$2,543,000 for Integrated Pest Management and Biological Control Special Research Grant (\$4,457,000 available in 1993).

Need for Change. Limitations to continued use of pesticides are increasing because of concerns for human health, ground and surface water contamination, loss of effectiveness due to pest resistance, affects on non-target species, and cancellation of pesticide registrations. With the diminished utility and confidence in pesticides and the very great losses that pests can cause, it is imperative to mobilize the best scientific talent of this country to develop and sustain agricultural production. To address this national need, the Pest Management Strategies Subcommittee of Experiment Station Committee on Organization and Policy (ESCOP) in

collaboration with the National Association of State Universities and Land-Grant Colleges and CSRS has developed a plan entitled "Blueprint for Integrated Pest Management for the 21st Century." This plan identifies strategies that enhance natural controls (biological control, cultural control, and host resistance) of pests as the primary focus of effective pest management. Biological control has been targeted as the first priority of increased emphasis because it has the greatest untapped potential for enhancing natural controls in the environment. Another important component is resistance management through a better understanding of adaptive genetics. These management practices will slow the loss of pesticides due to pest resistance, decrease the extent to which pests overcome host resistance, and reduce environmental concerns by promoting the judicious use of pesticides where they complement biological controls.

Through a multi-agency effort (APHIS, ARS, CSRS, ES, and FS), a National Biological Control Program (NBCP) has been established. The NBCP allows for greater and more effective collaboration and coordination among USDA agencies and makes it possible to launch coordinated basic and applied research, demonstration, and education programs in response to economic and environmental concerns. The trend toward an accelerated removal of chemical pesticides from the arsenal of pest management options is a mandate for future planning by the agriculture research and education community. The transition away from a dependency on chemical pesticides will require public support for basic and applied research as well as for an intensive education program. Each of the USDA agencies involved in the NBCP have unique and interdependent strengths to bring to this initiative. The NBCP will benefit agricultural producers, forest managers, urban residents, and the general public as well as be a centerpiece for progressive, environmentally sound pest management in the USDA and our partner Land-Grant Universities.

In addition to research on specific control tactics such as biological control, there is a great need for research dealing with the integration of data derived from pest management research spanning traditional disciplinary boundaries. Such integrative research is key to pest management decision-making. Currently, most pest management decisions are based on a small fraction of the information that is needed to make appropriate integrated decisions. Some of the needed information is available and some still needs to be developed through additional research. Research on integrative pest management differs from research that addresses specific tactics in that a coordinated approach is required and multidisciplinary collaboration over time is usually necessary. Integrative research focuses on the construction of comprehensive pest and crop management systems which support sustainable agriculture. Interagency collaboration is being developed through the USDA Integrated Pest Management Working Group in interaction with EPA.

Nature of Change. The Integrated Pest Management Special Research Grant program is administered by CSRS through four competitive grants programs in the Southern, Northeastern, North Central, and Western regions of the United States. Each region has an established IPM grants program that reflects both the special needs of the region and the overall programmatic direction provided by ESCOP and CSRS. A \$7 million program will allow for regional IPM programs in three program areas: Integrative Research, Biological Control, and Emerging Pests.

Integrative Research (\$4.182 million, same as 1993). Pest management integrative research encompasses the dynamics of integrating pest management tactics into comprehensive systems and allows for the evaluation of these systems. Research commonly focuses on multiple strategies to manage one or more types of pests on a single commodity, but may ultimately

involve multi-crop or complex livestock production systems. This program area also provides support for pest management research that will receive priority attention in a later phase of the regional IPM program development. This includes research on application technology, cultural control, host plant resistance, and resistance management.

Biological Control (\$2.218 million, an increase of \$1.943 million over 1993). In conjunction with the National Biological Control Program working through the regional IPM grant program, CSRS will support biological control research and development. Basic and applied research will be conducted to determine mechanisms of biological control and to determine the role of native beneficial organisms and learn how to manipulate and enhance their effect by crop rotation, varietal selection, and other cultural methods. Methods to propagate beneficial microbes or predators and parasites and approaches to mass release and distribution will be investigated. Natural enemies of imported pests will be sought and introduced for control. Biological control is appropriate for many pests including viral diseases, such as barley yellow dwarf and citrus tristeza; nematode pests, such as cyst nematodes; and insect pests, such as sweet potato whitefly, European corn borer, cockroaches, fruit flies, stored grain beetles and moths, mites, facefly, Gypsy moth, boll weevil, bollworms, housefly, diamond-back moth, etc.

Emerging Pest Issues (\$600,000). Farmers face continually changing pest problems, for which effective controls are frequently not readily available. Recent examples include the Russian wheat aphid and the sweetpotato whitefly which have become pests in major crop production areas. There is a need for additional research into basic biology, ecology and population dynamics for emerging pests so that effective controls can be developed. Funds are proposed to support a nationwide program of competitively awarded grants to address newly emerging pest issues. Grants will support the development of a better understanding of the pests and research to begin the development of improved controls. Research conducted through this program will be closely coordinated with ARS, APHIS and Extension programs.

This special research grant program complements the National Research Initiative (NRI) by developing innovative information from the NRI program. Regional IPM funds provide the critical conduit that takes basic knowledge and develops pest, crop, and region specific crop and pest management systems. Further, investigators and working group members within the integrated pest management and biological control program identify basic research priorities to the NRI where information gaps impede the development of alternative pest management strategies.

- (d) An increase of \$186,000 for Minor Use Animal Drugs Special Research Grant (\$464,000 available in 1993).

Need for Change. Funds will address the increasing need for registration of safe animal drugs and biologics for minor uses and minor species. The unavailability of such drugs, requisite to adequate animal health and protection, results in serious economic losses to producers and threatens the economic viability of some animal industries. For example, a recent workshop, involving the U.S. Department of Agriculture, the U.S. Food and Drug Administration (FDA), university scientists, aquaculture producers, and representatives from pharmaceutical industries, identified several high priority research needs for the rapidly growing aquaculture industry. Currently there are very few approved drugs to help control diseases and parasites in aquaculture species.

The high cost incurred to obtain the extensive experimental data on efficacy, safety, and residue depletion, required by Federal and local

regulations, cannot profitably be borne by the animal and pharmaceutical industries. The IR-4 Minor Use Animal Drugs Program, (A National Agricultural Program to Clear Pest Control Agents and Animal Drugs for Minor Uses), working cooperatively with FDA, provides the only remaining alternative to approve these types of drugs. The program is a prime example of Federal interagency cooperation in coordination with academic institutions, pharmaceutical industries and commodity interests to effectively meet an urgent need.

Nature of Change. Grants for the IR-4 Minor Use Animal Drugs Program are awarded by USDA in support of the National program to obtain clearance, by FDA, of animal drugs and biologics for minor uses and minor species. The increase will stress the expanding needs for many species with emphasis on the aquaculture industry.

To date, the program has received 227 requests for clearances. Nineteen public master files, which involve 14 new animal drugs in 10 animal species, have been published in the Federal Register related to the use of specific drugs in minor animal species. Nine additional public master files are currently being reviewed by FDA. Research is also being conducted on 19 ongoing projects in conjunction with many universities, the U. S. Department of Interior (Fish and Wildlife Service), and the USDA-Agricultural Research Service. The IR-4 Minor Use Animal Drug Program continues to benefit from the eighteen pharmaceutical companies that have cooperated on animal drug research projects for this program.

- (e) An increase of \$6,500,000 for Pesticide Clearance Special Research Grant (\$3,500,000 available in 1993).

Need for Change. The 1988 amendments to the Federal Insecticide, Fungicide, and Rodenticide Act (FIFRA) have created a serious potential loss of over 3,500 pesticide uses important to minor crops farmers. If American agriculture is to have available the legally registered materials necessary to provide for a wholesome and nutritious diet for the consuming public and to supply them with the ornamental plants to beautify their environment, it is essential to meet these regulatory demands.

The recent FIFRA amendments greatly accelerated the need for reregistration of many currently used pesticides. Reregistration of previously registered pesticides will require redoing much of the original research using current state-of-the-art technology. There is no patent protection and very little economic incentive for commercial companies to reregister these older pesticides, especially for minor uses. In contrast, the economics to the user are excellent, and further, these older pesticides have been researched and incorporated into sound environmental management systems. Their loss would be a severe restriction to pest management programs.

CSRS appointed a review team comprised of representatives of State Agricultural Experiment Stations, Federal agencies involved in IR-4, the pesticide industry, and producer groups to examine the IR-4 program. Their report (February 1991) concluded that IR-4 needs a significant increase in its direct funding in order to serve the needs of the \$19.3 billion minor crop industry in a timely and comprehensive fashion. A GAO audit noted that "IR-4 officials believe that the IR-4 research grant project makes effective use of its limited resources... This is because IR-4 uses the existing land-grant university infrastructure, targets its research agenda to include those pesticide uses most likely to be approved by EPA, and annually reviews its research priorities." The report concludes with criticism of "...USDA... (having) been slow to respond to the need for pesticides on minor crops, even though IR-4 officials at the regional level developed a strategic plan in 1989 to address this need."

Nature of Change. The increased support is required for the expansion of the reregistration process for minor use agricultural commodities and the initial registration of safer and more environmentally compatible pesticides. The program is addressing requests for assistance in the registration of both food and ornamental crops. IR-4 receives about 375 valid requests from growers, extension personnel, research scientists and ranchers each year and has a large backlog of valid researchable requests, currently approaching 2,200. These increased funds will support the completion of significantly more tolerance projects. To meet these demands, the research activities of the IR-4 program will be expanded to include additional field experiments and the resultant chemical analyses for residues. All requests are rigorously reviewed and addressed in order of priority. Producers can increase the priority of their request by contributing funding. IR-4 staff encourage producers to contribute to the cost of reregistration. The final product of the increased support will be an increased number of chemical and biological products available for use on minor crops. The research effort of IR-4 is highly mission oriented and does not lend itself to the highly competitive, fundamental research of the NRI program.

- (f) An increase of \$50,000 for Water Quality Special Research Grant (\$8,950,000 available in 1993).

Need for Change. Efforts must continue on research initiatives begun in response to the government-wide initiative and the USDA Research Plan for Water Quality, so we can more adequately understand processes involved in contamination, and learn how to avoid unacceptable degradation of water resources by use of improved and thoroughly evaluated crops and soil management practices. The USDA Water Quality Plan includes two parts: a national grants program, designated as the National Components Initiative and a Selected Geographic Areas which is an integrated systems approach in high priority areas begun in FY 1990 as the Midwest initiative.

Nature of Change. The systems approach to evaluating the effects of current and alternative farming systems on ground water quality, now being used in the Midwest Initiative and other areas, needs to be expanded. Increased funds will be used to provide additional support for the Selected Geographic Areas program for implementing interdisciplinary systems research. Some or all of these areas will be planned and established jointly with ARS, ES, SCS, USGS, EPA, and other agencies as appropriate in support of the USDA water quality program.

- (g) An increase of \$14,000 for Rangeland Research Grants which reflects a 2.9 percent increase in operating costs.
- (h) An increase of \$111,000 for Aquaculture Centers which reflects a 2.8 percent increase in operating costs.
- (i) An increase of \$186,000 for Sustainable Agriculture which reflects a 2.8 percent increase in operating costs.
- (j) An increase of \$1,832,000 for Advanced Materials under Supplemental and Alternative Crops (\$1,168,000 available in 1993).

Need for Change. CSRS is one of three USDA agencies participating in the FCCSET Advanced Materials and Processing Program (AMPP) crosscut, a Presidential Initiative which recognizes that materials are the basis of a critical enabling technology upon which most other technologies depend for their success. The expanded role for CSRS in developing advanced products

and processes for agricultural industrial materials fosters continued leadership in this area of materials science technology. Although technology development by itself is significant, CSRS's participation with other USDA agencies is as a co-equal with other agencies such as DoD, NASA and DOE. This boosts the image of agriculture in science and technology and opens our laboratories and scientists to broader exposure and utilization.

Nature of Change. The AMPP for CSRS calls for an intense commercialization program for uses of vegetable oils that provide materials of strategic and industrial importance. Development of functional fluids from erucic acid oils and derivatives will occur in 1994 with validation and scale-up of technologies, especially for nylon 1313 from brassylic acid. The 1994 program significantly expands earlier characterization work for hydroxy fatty acid oils and derivatives to develop specific product applications for comparative testing and market assessment. Other vegetable oils and other materials may be added. This comprehensive development program will involve private companies, government and universities in a multi-year partnership that joins resources, facilities and ideas. A successful process will require a management team to establish and evolve a program which progressively removes barriers to commercialization and adjusts work goals and objectives as progress is made.

- (k) A decrease of \$38,993,000 for Special Research Grants, \$400,000 for Critical Agricultural Materials Act, and \$400,000 for State Agricultural Weather Information Systems.

Need for Change. These grants programs have concentrated on specific problems beyond the normal emphasis in the formula based programs. The Hatch Act and related formula based programs constitute the core of the State-Federal research partnership and, when put together with State funding, provide the basic laboratory facilities, scientists, graduate students, and support necessary for the long term stability of agricultural research. Thus, these formula based programs become the highest priority of the State-Federal research partnership. Selected high priority National interest special research grant programs will be continued.

Nature of Change. This change will eliminate this specific funding support for selected grant programs. Due to the discretionary nature of the Hatch Act and related formula based programs, amounts allotted to State institutions permit the institutions to fund research in those areas that they identify as high priority. This flexibility could provide for maintaining some of the programs if the State institutions wish to continue the research. These projects could also be submitted for competition and possible funding under the National Research Initiative.

- (5) An increase of \$2,695,000 for the National Research Initiative Competitive Grants Program (\$97,500,000 available in 1993).

Need for Change. Agriculture in the 1990's must provide stewardship of the environment, encourage more rational use of natural resources, improve the quality and nutrient content of food, provide new demand opportunities for agricultural commodities and forest products, and reduce farm program costs in order to continue to benefit producers as well as consumers. This Initiative responds to the major issues facing agriculture such as sustainable agroecosystems, food safety, new uses and biofuels development, water quality, global climate change, integrated pest management, biological controls, rural development, scientific human capital development, farm income and market competitiveness. It allows U.S. agriculture to broaden its science and technology base to meet more effectively these demanding needs and exploit new opportunities. These

imperatives coincide with recent advances in biology and with other new tools in science that present unique research opportunities for improving agriculture.

A 1989 report from the National Academy of Sciences (NAS) (Investing in Research: A Proposal to Strengthen the Agricultural, Food, and Environmental System) recommended the establishment of the National Research Initiative (NRI) with new funding of \$500 million per year. The NRI was broadly endorsed by users of research and provides increased Federal support for agricultural research awarded on a competitive basis.

Section 1402 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977, as amended by Section 1602 of the FACT Act of 1990, requires that research supported by the NRI address, among other things, one or more of the following purposes of agricultural research and extension:

- 1) continue to satisfy human food and fiber needs;
- 2) enhance the long-term viability and competitiveness of the food production and agricultural system of the United States within the global economy;
- 3) expand economic opportunities in rural America and enhance the quality of life for farmers, rural citizens, and society as a whole;
- 4) improve the productivity of the American agricultural system and develop new agricultural crops and new uses for agricultural commodities;
- 5) develop information and systems to enhance the environment and the natural resource base upon which a sustainable agricultural economy depends; or
- 6) enhance human health by fostering the availability of a safe, wholesome, and nutritious food supply that meets the needs and preferences of the consumer and by assisting farmers and other rural residents in the detection and prevention of health and safety problems.

Federal funding for the Initiative is necessary because: (1) the issues and opportunities are national in scope; the nation as a whole is the beneficiary of this effort, not just individual states or industries, (2) the Initiative undertakes research that increases knowledge that will be broadly applicable and that may lead to specific patentable or marketable products, (3) the need is urgent; the issues described below require action now and cannot be delayed or initiated piecemeal, (4) the health and vigor of a major segment of U.S. industry is at stake in terms of international competitiveness, and (5) there are major benefits that will result from protection of the environment and enhancement of public health.

The National Research Initiative is designed to conduct basic and mission-linked research on agricultural problems. The knowledge developed in concert with base programs will then be made available to American user groups including applied and developmental research laboratories. Both intramural programs and nationally focused State Agricultural Experiment Station programs are also important to maintaining national thrusts in agricultural research in established laboratories. Extension has a vital role in this program as a participant in research proposals focusing on adaptive research and on the transfer of technology.

A major infusion of new funding is needed to allow the strengths of current research funding mechanisms to do best what each is designed to accomplish. Each mechanism supports the others through a balanced investment in the entire spectrum of agricultural research needs.

This Initiative strengthens the USDA intramural program, since USDA scientists are eligible to compete for the grants. It also strengthens the extramural program by extending support to other outstanding scientists outside the realm of traditional agricultural institutions to address national agriculture and natural resource problems.

Nature of Change. Approximately 70 percent of the effort proposed in the NRI supports fundamental research emphasizing the most urgent agricultural and natural resource problems. It is from this research that major conceptual breakthroughs are expected to emerge. These breakthroughs are critical to the eventual solution of complex problems faced by farmers, foresters, ranchers, processors, and consumers. Mission-linked research, also supported by the NRI, is expected to bridge the gap between fundamental and applied research and technology development. In addition to single disciplinary research, the following types of research are supported.

Fundamental Research: Research that tests scientific hypotheses and provides basic foundation knowledge that supports applied research and from which major conceptual breakthroughs in agricultural research are expected to occur.

Mission-linked Research: Research on specifically identified agricultural problems which, through a continuum of efforts, provides information and technology that may be transferred to users and may relate to a product or process.

Multidisciplinary Research: Research in which scientists from two or more disciplines are collaborating closely. These collaborations, where appropriate, may integrate the biological, physical, chemical and/or social sciences.

Funds are awarded on a competitive, peer reviewed basis. This form of funding mechanism is uniquely suited to stimulating new research activity in specific, high-priority areas of agricultural science and engineering. All public and private universities, research organizations, Federal agencies, private organizations or corporations, and individuals are eligible to compete for these funds.

There are six research components proposed in the Initiative:

Natural Resources and the Environment. Research activities are directed to increase understanding of agriculture and natural resource systems in order to enhance stewardship and encourage protection of the environment. Understanding the effects of potential global climate change on natural resources, agriculture and the environment will be a major area of endeavor. Research will also address the effects of agriculture on water quality by supporting research which examines underlying mechanisms in order to provide the knowledge necessary to develop methods for water quality enhancement. In addition, feedstocks research for new uses and biofuels will be supported. Sustaining agriculture as an environmentally and economically sound enterprise requires improved understanding of the natural resource base upon which agriculture and forestry is dependent.

Nutrition, Food Quality and Health. Human nutrition research is needed to investigate the relationships of human health to diet and nutrition and to food quality and safety. Further, a better understanding of factors

impacting consumer behavior is needed, particularly in the areas of obstacles to healthful food habits and contemporary eating behaviors. Improvements in survey techniques are needed that are more sensitive and that can be used to monitor knowledge and attitudes about food and health. Growing consumer expectations for certain types and wholesomeness of food, as well as food safety, have placed new demands on food production and processing technology.

Plant Systems. A redoubling of effort is needed to explain the basic biological processes of crop and forest species, to search for new production systems that are low-input and sustainable and to find alternatives for present practices which degrade the environment or are not profitable. The present "reservoir of scientific knowledge" supporting the plant sciences is inadequate for future needs. This knowledge base must be replenished to allow for more environmentally harmonious, economically viable forest and crop production systems. A fundamental understanding of the biology of crop and forest species is prerequisite to sustaining natural resource productivity, understanding the impact of global change, devising practices that insure the compatibility of natural resources and the environment, and developing sound pest control strategies. The plant genome mapping program will continue to be an integral part of the plant systems research category in cooperation with the Agricultural Research Service as the lead agency.

Animal Systems. Animal agriculture includes livestock, poultry and the rapidly emerging industries of aquaculture and non-traditional species. Research across a broad range of animal science areas is urgently needed for the future sustainability of animal production efficiency as well as to address such areas as the modification of animal products. Proposed research will apply advanced research tools including genome mapping and genetic engineering to understand the mechanisms which control fat deposition, animal disease, animal well-being and reproduction and use that knowledge to address production and consumer issues.

Processing for Value-Added Products. This initiative will focus upon research planned to design or originate new or improved, value-added food, non-food, non-feed products from agricultural materials. Through the application of the biological and physical sciences, food, non-food and industrial uses, which are safe, energy-efficient, environmentally-sound and economical will be sought. Additional basic studies should increase the understanding of the physical, chemical and biological properties of the agricultural materials that may be improved through innovative processing and/or in enhancing and controlling the quality of food and non-food, non-feed products. Presently, only a third of the U.S. agricultural exports are high value-added products. New technology and processes such as bioprocessing present major opportunities for producing goods that will increase the U.S. trade advantage. This research represents a priority for U.S. agriculture and should benefit farmers, related industries and consumers.

Rural Development, Markets and Trade. Research is needed to describe and measure the forces that reduce economic vitality and guide the policies that can restore vitality of rural areas. New critical thinking also is needed to provide new theories, concepts, and methodological techniques for developing rural revitalization policies. U.S. agricultural markets and international trade must be expanded in ways to enhance economic growth and relieve the Federal Government from fiscally burdensome commodity programs. This must be done through a well-coordinated program based on sound scientific principles that will bolster U.S. marketing and trade. Research on the market opportunities and trade implications of new uses for agricultural commodities will also be supported.

The Budget provides \$2.695 million for increased operating costs and there is also a \$30 million investment proposal for the NRI for a total request of \$130,195,000. As shown below, the six NRI categories will have significant impact on programs in the Department's initiatives on water quality, global change, biofuels, food safety, biotechnology, human nutrition, new uses and products, forestry, and pesticide related programs. These 1994 estimated levels include funding from the \$30 million NRI investment proposal. Emphasis will continue to be placed, where appropriate, on long- and short-term research to insure a sustainable agricultural system.

Funding from NRI for Selected Areas
(Dollars in Thousands)

<u>Crosscut Area</u>	<u>1991</u>	<u>1992</u>	<u>1993</u>	<u>1994 Request</u>
Water Quality	4,609	4,629	4,629	5,600
Global Change/MARS	9,555	9,400	9,400	9,861
Food Safety	1,266	3,440	3,440	5,000
Human Nutrition	2,734	3,826	3,826	8,000
Plant Genome	11,075	12,309	13,000	13,000
Biofuels	514	500	750	1,000
Biotechnology	29,171	38,152	38,152	41,948
New Uses	2,291	6,053	6,053	11,053
Forestry	7,941	9,508	9,508	10,508
Biological Control	4,496	3,250	3,250	4,496
Integrated Pest Management	5,405	6,369	6,369	6,573
Advanced Materials	573	1,690	1,690	2,190
Advanced Manufacturing	0	939	939	939
Wetlands	599	1,299	1,299	1,299
Sustainable Agriculture	7,446*	10,640*	10,640	13,000

*The funds designated as sustainable agriculture were categorized as either site-specific or identifiable as impacting directly on the objectives of sustainable agriculture. A high percentage of NRI funds can be considered to contribute to sustainable agriculture.

New uses for agricultural materials will be developed based on research carried out under the NRI. Energy biomass research on alcohol and biodiesel fuels made from agricultural and forestry feedstocks and the technologies for this conversion will be conducted. The knowledge necessary for enhanced process efficiencies and innovative processing/preservation methods for conversion of agricultural materials into new value-added food and especially non-food products will be sought. Such research will emphasize processes that are environmentally acceptable, cost effective and will identify potential applications or market needs.

The NRI is strongly supported by the Administration as well as numerous producer and trade associations and advisory groups. It has also attracted the strong support of the scientific community throughout the United States. The NRI is of critical importance to the future of American agriculture and has been a successful mechanism to increase the investment in agriculture research in recent years. Congress has fully endorsed the NRI in the 1990 Farm Bill and with funding increases without earmarking.

- (6) A decrease of \$5,551,000 for Animal Health and Disease Research, Section 1433, P.L. 95-113 (\$5,551,000 available in 1993).

Need for Change. The Animal Health and Disease Research program has provided funds on a formula basis for livestock and poultry disease research at accredited colleges of veterinary medicine and State Agricultural Experiment Stations. Some aspects of this program may be continued under the expanded Animal Systems component of the National Research Initiative which will target funds to projects of highest scientific merit and most closely tied to national priorities.

Nature of Change. This change will eliminate formula funding for this program. Animal health and disease research is being conducted in other ongoing Federal and State research programs. Certain aspects of the CSRS animal health research previously conducted under this formula program may be continued under the Animal Systems component of the National Research Initiative which will provide a focus for innovative approaches to solving fundamental problems in animal health and disease in food and fiber animals.

- (7) A net decrease of \$7,154,000 for Federal Administration (direct appropriation) (\$20,795,000 available in 1993) consisting of:

- (a) A decrease of \$7,543,000 for the following projects (\$7,543,000 available in 1993):

-3,500,000	Gulf Coast shrimp aquaculture
-668,000	Curriculum development and strengthening, Mississippi Valley State University
-750,000	Center for Agricultural and Rural Development, Iowa
-1,000,000	Geographic information system pilot program
-500,000	Vocational aquaculture education curriculum
-400,000	Maize Genetics Research Center, University of North Dakota
-475,000	Herd management program, Tennessee State University
-250,000	Alternative Fuels Characterization Lab, U. of North Dakota
-7,543,000	TOTAL

Prior funding has supported the initial development of these projects. Emphasis is placed on high priority national interest programs in the 1994 CSRS budget.

- (b) A decrease of \$1,250,000 for water quality research in Illinois and North Dakota. Prior funding has supported the initial development of these projects. Funding is requested for water quality under the Special Research Grants program, as part of the Federal government's water quality initiative, and these States may compete for these funds. Water quality research is also conducted through the National Research Initiative Competitive Grants program.
- (c) A decrease of \$8,000 for FTS 2000 in the Office of Grants and Program Systems.

This decrease reflects lower long distance telecommunications prices due to price redeterminations in the FTS 2000 contracts.

- (d) A decrease of \$218,000 for administrative efficiency in the Office of Grants and Program Systems.

Need for Change. To promote the efficient use of resources for administrative purposes in keeping with the President's Executive Order, total USDA baseline outlays for these activities will be reduced by 3 percent in fiscal year 1994, 6 percent in fiscal year 1995, 9 percent in fiscal year 1996, and 14 percent in 1997.

Nature of Change. In order to achieve this savings, CSRS will carefully monitor supply and equipment purchases, printing and reproduction costs, and travel costs. CSRS may also have to reduce support for conferences/symposia and other planning and coordination activities with the State institutions.

- (e) An increase of \$8,000 for the Agriculture in the Classroom program (\$208,000 available in 1993). In order to educate, inform, and bring about a better appreciation and understanding of American agriculture among the nation's young people, USDA established the "Ag in the Classroom" program. Administrative responsibility for the "Ag in the Classroom" program has been assigned to the Assistant Secretary for Science and Education. The number of State participants in the "Ag in the Classroom" program continues to grow leading to an increased demand for materials, newsletters, and other information. Increased funding is needed for the development, printing and distribution of this information to the States.
- (f) An increase of \$240,000 for peer panel costs (\$260,000 available through direct Federal administration in 1993). Cooperative State Research Service uses the peer panel review process to evaluate proposals submitted under the National Research Initiative, Special Research Grants program, Higher Education programs, Rangeland Research Program, and Small Business Innovation Research program. This request provides for the cost of travel and honoraria for the peer panel members. Additional peer panel costs are met through set-asides from program funds. Growth in the CSRS grants programs results in the need for more peer panels and these additional funds are needed for the increased costs associated with travel and honoraria for the peer panelists.
- (g) An increase of \$367,000 which reflects the annualization of the fiscal year 1993 pay raise.
- (h) An increase of \$1,250,000 for the 1890 Institution Capacity Building Grants Program (\$10,250,000 available in 1993).

Need for Change. The Committee on Education and Human Resources (CEHR) of the Federal Coordinating Council for Science, Engineering, and Technology (FCCSET) has underscored the urgent need to train more minority scientists and professionals. The 1890 land-grant institutions and Tuskegee University are major producers of this sorely needed human capital. By strengthening the teaching and research infrastructure of these institutions, the Department can play a vital role in augmenting the development of minority expertise for food and agricultural science and business.

The Capacity Building Program is definitely strengthening the 1890 land-grant institutions. The emphasis on partnerships is evidenced by consistent contributions of notable non-Federal matching funds. Strong linkages between the 1890 and 1862 land-grant universities are being forged. Also, a steady growth in the number of USDA agencies serving as cooperators on funded Capacity projects has occurred, thereby strengthening departmental partnerships and linkages with these important minority

institutions. Under the Capacity Building Program, more faculty are involved in research and education programs now than previously, leading to significant professional growth on the part of the 1890 faculty. The program is supporting students at the 1890 institutions, including salaries for research associates, postdoctorates, graduate students, and pre-baccalaureate students associated with research projects, as well as direct student support in the form of scholarships, stipends, and tuition. Scientific instrumentation, both for research and teaching purposes, purchased under this program is increasing the system's competitiveness in high priority research areas and in the quality of education delivered to student populations. Further, the Capacity Program is helping the institutions develop skills for competing successfully in the overall Federal grants arena. Therefore, it should open up a much broader array of funding opportunities for them in the future.

Nature of Change. The 1890 Institution Capacity Building Grants Program serves as the crux of the Department's high priority initiative to advance the teaching and research capacity of the 1890 institutions and Tuskegee University. It is competitive and strongly encourages matching funds from non-Federal sources. It also requires cooperation with one or more USDA agencies in developing a proposal and in implementing and carrying out a capacity building project. This increase provides support for additional projects each year as well as generates additional private and/or State support.

- (8) A net increase of \$1,139,000 for Higher Education programs (\$7,850,000 available in 1993) consisting of:
- (a) An increase of \$97,000 for Graduate Fellowships Grants (\$3,500,000 available in 1993).

Need for Change. U.S. leadership in science and in science education is facing pressing challenges on many fronts. These challenges span the full spectrum of K-12, undergraduate, and graduate education. Since being launched in FY 1984, the USDA National Needs Graduate Fellowships Grants Program has become a key mechanism for recapturing excellence in food and agricultural sciences graduate education. It serves both to recruit and train academically outstanding graduate students and to strengthen the quality of graduate programs and faculty. Hence, it is a major force in developing excellence in the food and agricultural scientific and professional work force. Although the program is less than a decade old, it has already produced scientists who have begun promising careers in USDA's Federal laboratories, on university faculty, and in private research and development operations. These young men and women hold great potential for developing new knowledge and technologies to advance the food and agricultural system. The FCCSET/CEHR Strategic Plan urges Federal agencies to capitalize on our existing strengths in mathematics, science, and engineering graduate education to continue those programs that have been so successful. Yet, the FY 1993 level of support for this program allows recruiting only about 60 doctoral fellows annually, restricting its potential benefits.

Nature of Change. This increase will raise the number of new fellows recruited each year to 68 doctoral students. With this level of support, over the next decade the program would produce an additional 680 doctoral graduates with outstanding training.

- (b) An increase of \$42,000 for Institution Challenge Grants (\$1,500,000 available in 1993).

Need for Change. Given the intense problems currently impacting negatively on the U.S. education system, the President and FCCSET/CEHR have urged that every Federal agency undertake an expanded agenda to promote excellence in education--particularly that sector of education relating directly to an agency's mission. The USDA Institution Challenge Grants Program contributes directly to the National Education Goal of U.S. students being first in the world in science and mathematics achievement by the year 2000. This program relates specifically to the FCCSET-CEHR implementation priorities for undergraduate education and has received highest commendations from the university community. Moreover, it requires dollar-for-dollar matching support, thereby doubling the Federal investment and establishing several exciting partnership ventures. Unfortunately, over the last three years only 14 percent of the excellent proposals generated in this highly competitive process could be funded. Education problems and needs are compounding while university and State resources are diminishing.

This program meets several critical needs of U.S. colleges and universities in their efforts to produce world-class scientists and other professionals. It provides grants that enable universities to focus on rejuvenating the infrastructure of the U.S. food and agricultural sciences higher education system by revitalizing curricula, reinvigorating faculty, improving participation of women and minority students in higher education, utilizing new technologies to optimize learning, enriching undergraduate research, and recruiting academically talented students. It brings much-needed closer working relationships between USDA, the Nation's universities, the States, and the private sector.

Nature of Change. Higher Education programs across the country will be enhanced by utilizing innovative technologies to maximize learning; providing for curriculum and faculty development, especially in the international arena; and ensuring greater representation of all cultural groups. One example is sponsorship of further courses taught via the national video network, AG*SAT, to enhance course offerings by the best instructors on topics where faculty are in limited supply and to disseminate them widely.

- (c) An increase of \$1,000,000 for the Minority Scholars Program (No funding available in 1993).

Need for Change. The most pervasive problem of the American educational system remains the insufficient educational preparation of minority students, especially those who are economically deprived. The Federal government, as the most important force outside the university itself, must promote a comprehensive, long-range agenda to incorporate the recruitment and training of minority college and university students at the undergraduate level. A new USDA Minority Scholars Program is proposed specifically to attract and educate more minorities for careers as agriscience and agribusiness professionals. The purposes of the program are to increase the ethnic and cultural diversity of the food and agricultural scientific and professional work force and to advance the educational achievement of minority Americans.

Nature of Change. This department-wide initiative will be open to all U.S. colleges and universities with baccalaureate and higher degree programs in Agriculture, Forestry and Natural Resources, Home Economics, Veterinary Medicine, and closely allied fields. It will require 25 percent non-Federal matching support, thereby creating partnerships with the State and

private sectors. Federal funds will provide three years of scholarship support; the college or university will provide a fourth year of support. The increase requested will initiate a program to support the recruitment of and training for four years of almost 50 new baccalaureate minority scholars in the food and agricultural sciences. Once accepted for support under the program, the minority scholars will be assigned to all interested USDA agencies for special mentoring opportunities.

After the program has operated for a period of time which allows collecting and analyzing a reasonable set of data (captured on student appointment forms and exit forms), it will be evaluated. Characteristics of minority scholars supported under the program will be analyzed with regard to race/ethnicity, gender, academic performance, honors received during college, and future career plans. The purpose of the evaluation will be to provide baseline information for increasing the impact of the Minority Scholars Program with regard to strengthening the participation of all minorities in the food and agricultural sciences.

COOPERATIVE STATE RESEARCH SERVICE

INVESTMENT PROPOSALS

Base Request, 1994	\$392,407,000
Total Request, 1994	431,407,000

Investment Proposals	+39,000,000
	=====

SUMMARY OF INCREASES AND DECREASES - INVESTMENT PROPOSALS

Item of Change -----	1994 Base Request -----	Investment Proposals -----	1994 Total Request -----
Payments under the Hatch Act ...	\$173,451,000	- -	\$173,451,000
Cooperative forestry research ..	19,045,000	+\$9,000,000	28,045,000
Payments to 1890 colleges and Tuskegee University	28,157,000	- -	28,157,000
Special research grants	48,929,000	- -	48,929,000
National Research Initiative competitive grants	100,195,000	+30,000,000	130,195,000
Federal administration (direct appropriation)	13,641,000	- -	13,641,000
Higher education: Morrill-Nelson	2,850,000	- -	2,850,000
Other	6,139,000	- -	6,139,000
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Total Available	392,407,000	+39,000,000	431,407,000
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Cooperative State Research Service
Summary of Investment Proposals

SUMMARY OF INCREASES AND DECREASES - INVESTMENT PROPOSALS

<u>Item of Change</u>	1994		
	<u>Base Request</u>	<u>Investment Proposals</u>	<u>Total Request</u>
Payments under the Hatch Act ...	\$173,451,000	- -	\$173,451,000
Cooperative forestry research ..	19,045,000	+\$9,000,000	28,045,000
Payments to 1890 colleges and Tuskegee University	28,157,000	- -	28,157,000
Special research grants	48,929,000	- -	48,929,000
National research initiative competitive grants	100,195,000	+30,000,000	130,195,000
Federal administration (direct appropriation)	13,641,000	- -	13,641,000
Higher education:			
Morrill-Nelson	2,850,000	- -	2,850,000
Other	<u>6,139,000</u>	<u>- -</u>	<u>6,139,000</u>
Total available	<u>392,407,000</u>	<u>+39,000,000</u>	<u>431,407,000</u>
	=====	=====	=====

Explanation of Investment Proposals

An increase of \$9,000,000 for the Cooperative Forestry Research program.

This investment of \$9 million for the USDA Forestry Research Initiative will allow CSRS to distribute funds to eligible institutions for the purpose of conducting regional forest ecosystem research. This initiative is being carried out in cooperation with Forest Service and Extension Service. Information will be obtained to help the Nation develop sound forest-related policies that will both provide resources to meet ever-increasing demands from the population and sustain forest ecosystems.

Managing the Nation's forest resources relies upon scientific information and technology. Responsible environmental management requires a much more thorough understanding of forest ecosystem structure and dynamics, landscape-level ecology, biological diversity, alternative silvicultural systems, and intensive management for wood production. This investment will permit the forestry schools and other cooperating institutions participating in the Cooperative Forestry Research program (McIntire-Stennis) to increase the breadth and depth of the Nation's critically important forestry research. Results of this research will provide information necessary to help the Nation develop sound forest-related policies. These policies will help ensure the provision of resources to meet the ever-increasing demands from our growing population while sustaining forest ecosystems.

Additional investments in forestry research are needed in order to prevent the Nation from jeopardizing its economic and environmental future. With additional research, forest management offers the best opportunity for integrating sustainable development with environmental protection. In addition to the research needs there is a parallel need for a new pool of scientists who have been educated to think in terms of these macro-level concepts. The Cooperative Forestry Research Program has this as a goal.

Program emphasis will focus upon ecosystem research which will be designed to understand natural ecological processes. With improved understanding of ecological processes it will be possible to restore and sustain ecosystems using advances in ecological management practices. Further, U. S. forest management may be reformed to better address economic and environmental concerns. Research programs will be designed in cooperation with the forestry schools, the Forest Service, and the Extension Service. This will enhance integration of research planning and encourage timely transfer of new technology, synthesis of research information, and the application of science to ecosystem management.

An increase of \$30,000,000 for the National Research Initiative Competitive Grants program.

The National Research Initiative (NRI) supports research to assure the continued competitiveness of U.S. agricultural products in global trade, ensure the food supply's safety and quality, and sustain natural resources. This \$30 million investment will provide for a total program of \$130,195,000 in 1994 and will fund research in the six NRI categories including such areas as animal and plant biotechnology, food safety, sustainable agricultural production practices, and technologies to manufacture new agricultural materials. Since the NRI program focuses primarily on basic research, the results of many projects will be useful to scientists in other disciplines. The total NRI request of \$130,195,000 is distributed among the six NRI categories as follows:

<u>NRI Categories</u>	<u>1994 Request</u>
Natural resources and the environment	\$26,000,000
Nutrition, food quality, and health	13,000,000
Plant systems	45,195,000
Animal systems	30,000,000
Processing for value-added products	9,000,000
Rural development, markets, and trade	<u>7,000,000</u>
Total	130,195,000

To the extent that funds are awarded competitively and not earmarked for specific sites or institutions, it is proposed that funding for the NRI investment be increased by \$70 million in 1995 and \$50 million annually thereafter.

Proposed Language

In addition to funding already available under this heading, and subject to the same terms and conditions, \$9,000,000 for grants for regional forest ecosystem research under the Act approved October 10, 1962 (16 U.S.C. 582a-582-a7), as amended, including administrative expenses, and payments under section 1361(c) of the Act of October 3, 1980 (7 U.S.C. 301n.); and \$30,000,000 for competitive research grants under section 2(b) of the Act of August 4, 1965, as amended (7 U.S.C. 450i(b)), including administrative expenses.

SMALL BUSINESS INNOVATION RESEARCH PROGRAM

The Small Business Innovation Development Act (SBIR), Public Law 97-219, July 22, 1982, as amended by Public Law 99-443, October 6, 1986, was designed to strengthen the role of small, innovative firms in Federally funded research and development. Under this program small firms receive at least a fixed minimum percentage of research and development awards made by Federal agencies with sizable research and development budgets. From FY 1986 through FY 1992, 1.25 percent of an agency's extramural research budget was set aside for purposes of the SBIR Act. The Small Business Research and Development Enhancement Act of 1992 (Public Law 102-564, October 28, 1992) has amended the set-aside percent for the SBIR program as follows: 1.5 percent in fiscal years 1993 and 1994, 2.0 percent in fiscal years 1995 and 1996, and 2.5 percent in each fiscal year thereafter.

<u>Agency</u>	<u>FY 1992 Actual</u>	<u>FY 1993 Estimate</u>	<u>FY 1994 Estimate</u>
Agricultural Research Service	\$397,751	\$486,595	\$486,595
Agricultural Marketing Service	15,625	- -	- -
Alternative Agricultural Research and Commercialization	47,812	92,438	255,000
Cooperative State Research Service	5,034,828	6,045,841	6,010,210
Economic Research Service	21,250	15,000	12,000
Forest Service	60,750	444,000	375,000
Human Nutrition Information Service	43,575	6,630	37,245
National Agricultural Statistics Service	2,312	2,400	2,400
Office of International Cooperation and Development	3,600	2,393	2,393
Total	5,627,503	7,095,297	7,180,843

The functions of the SBIR program (solicitation, review and evaluation of proposals) have been centralized in order to most effectively and efficiently serve the SBIR community. Eight research topic areas have been established:

1. Forests and Related Resources. Research proposals are solicited to develop environmentally sound techniques to increase productivity of forest land and to increase the utilization of materials and resources from forest lands.
2. Plant Production and Protection. Research proposals are solicited to examine means of enhancing crop production by reducing the impact of destructive agents, developing effective crop systems that are economically and environmentally sound, enhancing the impact of new methods of plant manipulation, and developing new crop plants and new uses for existing crops.
3. Animal Production and Protection. Research proposals are solicited to find ways to enable producers of food animals to increase production efficiency and to assure a reliable and safe supply of animal protein and other animal products while conserving resources and reducing production costs.
4. Air, Water and Soils. Research proposals are solicited to develop technologies for conserving air, water and soil resources while sustaining agricultural productivity.

5. Food Science and Nutrition. Research proposals are solicited to develop new knowledge and a better understanding of the characteristics of foods and their nutritional impact; to apply new knowledge to improve our foods and diets; and to apply new knowledge to the production of useful new food products, processes, materials, and systems including application of nutritional information to consumer foods and food service systems.

6. Rural and Community Development. Research proposals are solicited to promote, foster, or improve the well-being of rural Americans.

7. Aquaculture. Research proposals are solicited to enhance the knowledge and technology base necessary for the continued growth of the domestic aquaculture industry as a form of production agriculture. Emphasis is placed on research leading to improved production efficiency and increased competitiveness of private sector aquaculture in the United States.

8. Industrial Applications. Research proposals are solicited to develop new or improved technologies that will lead to increased production of industrial products from agricultural materials.

TABLE 1
DISTRIBUTION OF CSRS FEDERAL PAYMENTS FOR RESEARCH AND EDUCATION AT STATE AGRICULTURAL EXPERIMENT
STATIONS AND OTHER STATE INSTITUTIONS - FISCAL YEAR 1992

STATE	HATCH ACT AS AMENDED		TOTAL	COOPERATIVE FORESTRY RESEARCH (NS)		1890 COLLEGES & TUSSKEE UNIV. (EA)	ANIMAL HEALTH & DISEASE RESEARCH	SPECIAL RESEARCH GRANTS	NRI COMPETITIVE GRANTS	HIGHER EDUCATION GRANTS	FEDERAL ADMIN. DIRECT APPROP.	FACILITIES	BIOTECH RISK ASSESS.	TOTAL FEDERAL FUNDS
	REGULAR FORMULA	REGIONAL PROGRAM												
ALABAMA	2,832,280	789,521	3,621,801	600,994	0	3,041,743	116,498	794,432	792,380	50,000	1,975,214	0	108,695	11,101,757
ALASKA	769,750	134,732	904,482	358,939	0	0	6,052	5,000	18,759	50,000	0	0	0	1,343,232
AMERICAN SAMOA	640,453	20,000	660,453	0	0	0	0	0	0	50,000	0	0	0	710,453
ARIZONA	1,064,749	712,403	1,777,152	255,202	0	0	54,046	379,621	2,826,307	50,000	0	97,000	0	5,439,328
ARKANSAS	2,443,851	691,939	3,135,790	508,782	0	1,342,586	83,430	2,783,982	626,252	50,000	401,522	3,686,000	0	12,618,344
CALIFORNIA	3,222,566	1,483,279	4,705,845	554,887	0	0	411,848	4,095,318	11,647,363	212,000	0	0	0	21,627,261
COLORADO	1,443,304	1,018,389	2,461,693	266,728	0	0	298,410	2,555,054	1,907,743	158,000	0	0	0	7,647,628
CONNECTICUT	1,206,750	466,386	1,673,136	186,044	0	0	18,916	491,676	933,088	50,000	0	0	0	3,352,860
DELAWARE	834,346	348,873	1,183,219	93,833	0	519,671	20,912	5,000	250,000	212,000	240,694	0	0	2,525,329
DIST. OF COLUMBIA	397,263	100,723	497,986	0	0	0	0	10,000	314,091	50,000	0	0	0	872,077
FLORIDA	2,042,554	627,625	2,670,179	531,835	0	1,103,603	139,129	2,036,470	2,715,055	376,149	987,607	814,800	0	11,374,837
GEORGIA	3,186,503	1,128,000	4,314,503	612,520	0	1,706,168	144,847	1,918,498	3,107,553	173,306	565,500	2,484,170	0	15,027,065
GUAM	665,942	115,365	781,307	0	0	0	0	279,163	0	50,000	0	0	0	1,110,470
HAWAII	824,805	361,254	1,186,059	128,412	0	0	7,185	2,907,034	516,754	113,956	2,504,802	3,726,740	0	11,090,942
IDaho	1,358,163	561,669	1,919,832	405,045	0	0	47,612	1,291,671	494,935	50,000	0	0	0	4,209,095
ILLINOIS	4,062,087	948,732	5,010,819	312,834	0	0	136,879	810,705	4,802,910	501,910	718,406	2,509,390	111,000	14,914,853
INDIANA	3,720,261	799,590	4,519,851	324,360	0	0	90,898	2,886,610	2,365,470	385,608	0	2,667,500	0	13,240,297
IOWA	3,898,938	1,471,753	5,370,691	197,570	0	0	256,371	5,751,137	2,259,465	266,000	718,406	0	0	14,819,640
KANSAS	2,367,827	735,121	3,102,948	162,991	0	0	185,999	1,430,598	1,280,000	279,133	0	1,522,900	0	7,964,569
KENTUCKY	3,741,485	790,630	4,532,115	381,992	0	1,966,458	83,059	596,716	944,174	110,254	328,000	0	0	8,942,768
LOUISIANA	2,256,089	653,128	2,909,217	520,309	0	1,221,624	104,772	2,557,391	772,880	50,000	202,500	0	0	8,338,693
MAINE	1,183,356	486,088	1,669,444	543,362	0	0	19,874	673,477	533,084	50,000	0	145,500	0	3,634,741
MARYLAND	1,633,289	611,624	2,244,913	220,623	0	898,843	38,381	505,595	1,506,163	113,952	452,439	970,000	0	6,950,909
MASSACHUSETTS	1,426,328	601,124	2,027,452	232,149	0	0	34,751	1,251,189	1,831,505	101,386	0	0	0	5,478,432
MICHIGAN	3,734,226	841,927	4,576,153	497,256	0	0	82,970	6,364,986	3,337,180	222,000	0	4,923,720	112,500	20,116,765
MICRONESIA	340,868	0	340,868	0	0	0	0	0	0	0	0	0	0	390,868
MINNESOTA	3,656,056	897,059	4,553,115	439,624	0	0	178,457	1,623,858	1,730,350	414,000	0	0	0	8,939,404
MISSISSIPPI	2,916,570	798,392	3,714,962	577,941	0	1,558,358	75,438	3,743,585	569,024	50,000	2,357,514	0	0	12,646,822
MISSOURI	3,536,320	749,554	4,285,874	347,413	0	1,874,258	158,625	1,813,727	3,003,697	360,000	597,863	140,650	104,952	12,687,069
MONTANA	1,281,143	629,036	1,910,179	393,519	0	0	70,217	468,300	907,287	50,000	0	1,030,140	0	4,829,642
NEBRASKA	2,193,999	850,587	3,044,586	139,938	0	0	193,214	3,133,973	1,175,414	212,000	0	4,365,000	0	12,264,125
NEVADA	762,880	344,412	1,107,292	59,253	0	0	25,377	194,332	0	50,000	0	242,500	0	1,678,754
NEW HAMPSHIRE	960,058	349,603	1,309,661	301,307	0	0	9,657	1,324,447	1,606,900	50,000	0	2,952,680	0	2,155,736
NEW JERSEY	1,402,657	1,162,919	2,565,576	174,517	0	0	22,347	1,324,447	1,606,900	50,000	0	0	0	8,696,467
NEW MEXICO	1,096,980	378,938	1,475,918	209,096	0	0	38,605	1,225,064	459,875	50,000	0	0	0	3,498,558
NEW YORK	3,566,542	1,443,665	5,010,207	589,467	0	0	263,560	2,634,842	5,638,345	569,145	0	1,673,250	32,554	16,411,370
NORTH CAROLINA	4,810,480	1,132,166	5,942,646	566,414	0	2,456,351	105,868	812,867	3,479,298	104,000	602,278	3,176,750	0	17,246,472
NORTH DAKOTA	1,619,177	564,813	2,183,990	70,780	0	0	52,878	2,893,836	472,224	50,000	1,101,557	4,977,070	0	11,802,335
NORTHERN MARIANAS	434,869	0	434,869	0	0	0	0	0	0	50,000	0	0	0	484,869

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STATIONS AND OTHER STATE INSTITUTIONS - FISCAL YEAR 1992

STATE	HATCH ACT AS AMENDED		COOPERATIVE FORESTRY RESEARCH (NS)	1890 COLLEGES & TUSKEGEE UNIV. (EA)	ANIMAL HEALTH & DISEASE RESEARCH	SPECIAL RESEARCH GRANTS	NRI COMPETITIVE GRANTS	HIGHER EDUCATION GRANTS	FEDERAL ADMIN. DIRECT APPROP.	FACILITIES	BIOTECH RISK ASSESS.	TOTAL FEDERAL FUNDS
	REGULAR FORMULA	REGIONAL PROGRAM										
			TOTAL									
OHIO	4,432,560	909,281	5,341,841	335,887	0	117,725	2,280,823	437,958	0	0	0	10,152,679
OKLAHOMA	2,255,251	567,746	2,822,997	289,781	1,247,973	134,025	1,086,159	50,000	987,607	218,250	0	7,788,281
OREGON	1,695,983	890,924	2,586,907	635,573	0	91,561	2,507,029	50,000	0	210,490	0	9,850,934
PENNSYLVANIA	4,391,007	1,190,363	5,581,370	451,151	0	144,191	1,820,970	115,480	0	0	0	10,492,310
PUERTO RICO	3,094,534	703,028	3,797,562	82,306	0	13,178	332,150	50,000	0	0	0	4,275,196
RHODE ISLAND	764,650	362,011	1,126,661	105,359	0	6,771	166,027	50,000	0	485,000	0	2,223,714
SOUTH CAROLINA	2,460,903	652,022	3,112,925	462,677	1,321,668	25,120	606,891	50,000	517,157	0	115,000	7,058,811
SOUTH DAKOTA	1,666,815	569,623	2,236,438	116,885	0	98,550	82,270	50,000	0	1,469,550	0	4,710,572
TENNESSEE	3,570,882	808,373	4,379,255	416,571	1,869,725	64,763	137,911	50,000	769,848	1,310,470	0	10,736,456
TEXAS	4,660,105	1,149,907	5,810,012	474,204	2,455,777	404,473	5,369,090	158,883	566,496	3,744,200	0	21,100,266
UTAH	963,550	649,244	1,612,794	151,464	0	52,649	138,446	50,000	0	741,000	0	3,959,933
VERMONT	1,014,969	306,543	1,321,512	278,255	0	14,023	1,852,478	111,360	0	0	0	3,967,440
VIRGIN ISLANDS	651,907	113,106	765,013	47,727	0	0	213,946	50,000	0	0	0	1,076,686
VIRGINIA	3,047,328	739,622	3,786,950	485,730	1,607,222	93,987	326,196	158,000	1,717,418	990,370	0	10,010,038
WASHINGTON	1,932,358	1,365,808	3,298,166	624,046	0	176,379	3,653,884	50,000	0	2,056,400	0	11,698,075
WEST VIRGINIA	1,924,626	509,444	2,434,070	370,466	0	11,967	44,999	50,000	0	0	0	3,355,889
WISCONSIN	3,664,951	946,180	4,611,131	428,098	0	183,596	623,176	193,520	0	7,171,210	4,289	18,461,555
WYOMING	906,381	501,883	1,408,264	220,623	0	37,591	28,680	50,000	0	485,000	0	2,591,121
OTHER	0	215,700	215,700	0	38,100	0	435,309	0	0	0	0	689,109
SUBTOTAL	1,555,934	493,529	2,049,463	224,713	332,225	66,612	1,037,222	0	154,593	0	0	5,034,828
SUBTOTAL	124,190,458	39,445,356	163,635,814	17,967,452	26,562,343	5,314,243	82,886,326	7,700,000	18,467,421	60,987,780	589,000	477,418,729
UNOBLIGATED BAL.	167,778	0	167,778	0	0	0	0	0	0	16,462,840	0	16,630,618
SUBTOTAL	124,358,236	39,445,356	163,803,592	17,967,452	26,562,343	5,314,243	82,886,326	7,700,000	18,467,421	77,450,620	589,000	494,049,347
FEDERAL ADMIN. UNOBLIGATED BAL.	0	0	0	555,990	822,000	222,040	3,312,014	150,000	2,323,290	2,041,220	0	18,154,493
SUBTOTAL	0	0	0	555,990	822,000	222,040	3,312,014	150,000	2,323,290	2,041,220	0	509,160
Biotech, Risk Assessment	116,512	36,957	153,469	9,558	15,657	14,717	99,660	0	4,289	0	(589,000)	0
TOTAL	124,474,748	39,482,313	163,957,061	18,533,000	27,400,000	5,551,000	86,298,000	7,850,000	20,795,000	80,001,000	0	512,713,000

Table 2

Payments to State Agricultural Experiment Stations under the Hatch Act

	FY 1992 Actual			FY 1993 Estimate			FY 1994 Estimate		
State	Regular Formula	Regional Research	Total	Regular Formula	Regional Research	Total	Regular Formula	Regional Research (a)	Total
Alabama	\$2,832,280	\$789,521	\$3,621,801	\$2,814,952	\$787,843	\$3,602,795	\$2,879,601	\$787,843	\$3,667,444
Alaska	769,750	134,732	904,482	764,621	134,626	899,247	784,498	134,626	919,124
American Samoa	640,453	20,000	660,453	638,711	0	638,711	655,374	0	655,374
Arizona	1,064,749	712,403	1,777,152	1,057,650	711,834	1,769,484	1,084,606	711,834	1,796,440
Arkansas	2,443,851	691,939	3,135,790	2,428,373	690,468	3,118,841	2,484,657	690,468	3,175,125
California	3,222,566	1,483,279	4,705,845	3,199,837	1,437,128	4,636,965	3,303,424	1,437,128	4,740,552
Colorado	1,443,304	1,018,389	2,461,693	1,433,452	1,022,742	2,456,194	1,474,330	1,022,742	2,497,072
Connecticut	1,206,750	466,386	1,673,136	1,198,832	464,843	1,663,675	1,229,582	464,843	1,694,425
Delaware	834,346	348,873	1,183,219	828,751	347,723	1,176,474	850,269	347,723	1,197,992
Dist. of Col.	397,263	100,723	497,986	518,987	100,390	619,377	535,111	100,390	635,501
Florida	2,042,554	627,625	2,670,179	2,027,245	626,291	2,653,536	2,095,252	626,291	2,721,543
Georgia	3,186,503	1,128,000	4,314,503	3,165,037	1,090,039	4,255,076	3,250,807	1,090,039	4,340,846
Guam	665,942	115,365	781,307	661,432	115,274	776,706	678,827	115,274	794,101
Hawaii	824,805	361,254	1,186,059	819,570	360,966	1,180,536	839,931	360,966	1,200,897
Idaho	1,358,163	561,669	1,919,832	1,348,652	561,221	1,909,873	1,386,600	561,221	1,947,821
Illinois	4,062,087	948,732	5,010,819	4,034,041	947,540	4,981,581	4,146,766	947,540	5,094,306
Indiana	3,720,261	799,590	4,519,851	3,693,795	798,586	4,492,381	3,804,248	798,586	4,602,834
Iowa	3,898,938	1,471,753	5,370,691	3,870,819	1,486,442	5,357,261	3,985,952	1,486,442	5,472,394
Kansas	2,367,827	735,121	3,102,948	2,351,462	734,199	3,085,661	2,415,081	734,199	3,149,280
Kentucky	3,741,485	790,630	4,532,115	3,716,401	788,950	4,505,351	3,819,366	788,950	4,608,316
Louisiana	2,256,089	653,128	2,909,217	2,241,908	651,739	2,893,647	2,295,879	651,739	2,947,618
Maine	1,183,356	486,088	1,669,444	1,175,315	484,484	1,659,799	1,207,715	484,484	1,692,199
Maryland	1,633,289	611,624	2,244,913	1,622,488	609,604	2,232,092	1,665,518	609,604	2,275,122
Massachusetts	1,426,328	601,124	2,027,452	1,417,017	595,055	2,012,072	1,453,977	595,055	2,049,032
Michigan	3,734,226	841,927	4,576,153	3,708,550	840,869	4,549,419	3,813,451	840,869	4,654,320
Micronesia	340,868	0	340,868	672,666	0	672,666	691,358	0	691,358
Minnesota	3,656,056	897,059	4,553,115	3,630,295	837,987	4,468,282	3,734,881	837,987	4,572,868
Mississippi	2,916,570	798,392	3,714,962	2,899,762	796,694	3,696,456	2,958,935	796,694	3,755,629
Missouri	3,536,320	749,554	4,285,874	3,511,125	748,615	4,259,740	3,612,579	748,615	4,361,194
Montana	1,281,143	629,036	1,910,179	1,272,306	628,533	1,900,839	1,309,575	628,533	1,938,108
Nebraska	2,193,999	850,587	3,044,586	2,178,585	849,519	3,028,104	2,240,740	849,519	3,090,259
Nevada	762,880	344,412	1,107,292	757,731	344,136	1,101,867	777,997	344,136	1,122,133
New Hampshire	960,058	349,603	1,309,661	953,226	348,450	1,301,676	981,374	348,450	1,329,824
New Jersey	1,402,657	1,162,919	2,565,576	1,393,480	1,186,563	2,580,043	1,430,451	1,186,563	2,617,014
New Mexico	1,096,980	378,938	1,475,918	1,089,734	378,636	1,468,370	1,118,240	378,636	1,496,876
New York	3,566,542	1,443,665	5,010,207	3,542,749	1,439,356	4,982,105	3,637,646	1,439,356	5,077,002
North Carolina	4,810,480	1,132,166	5,942,646	4,780,023	1,129,758	5,909,781	4,894,292	1,129,758	6,024,050
North Dakota	1,619,177	564,813	2,183,990	1,608,252	564,105	2,172,357	1,648,437	564,105	2,212,542
N. Marianas	434,869	0	434,869	625,550	0	625,550	642,146	0	642,146
Ohio	4,432,560	909,281	5,341,841	4,401,919	908,141	5,310,060	4,532,025	908,141	5,440,166
Oklahoma	2,255,251	567,746	2,822,997	2,239,819	566,539	2,806,358	2,300,533	566,539	2,867,072
Oregon	1,695,983	890,924	2,586,907	1,684,146	890,214	2,574,360	1,737,161	890,214	2,627,375
Pennsylvania	4,391,007	1,190,363	5,581,370	4,361,506	1,186,571	5,548,077	4,483,495	1,186,571	5,670,066
Puerto Rico	3,094,534	703,028	3,797,562	3,079,509	701,534	3,781,043	3,127,798	701,534	3,829,332
Rhode Island	764,650	362,011	1,126,661	759,633	360,815	1,120,448	778,765	360,815	1,139,580
South Carolina	2,460,903	652,022	3,112,925	2,445,685	650,634	3,096,319	2,506,663	650,634	3,157,297
South Dakota	1,666,815	569,623	2,236,438	1,655,348	568,910	2,224,258	1,701,315	568,910	2,270,225
Tennessee	3,570,882	808,373	4,379,255	3,548,007	806,654	4,354,661	3,634,430	806,654	4,441,084
Texas	4,660,105	1,149,907	5,810,012	4,627,422	1,147,461	5,774,883	4,765,874	1,147,461	5,913,335
Utah	963,550	649,244	1,612,794	957,232	648,726	1,605,958	981,174	648,726	1,629,900
Vermont	1,014,969	306,543	1,321,512	1,008,084	305,531	1,313,615	1,035,060	305,531	1,340,591
Virgin Islands	651,907	113,106	765,013	647,452	112,866	760,318	664,730	112,866	777,596
Virginia	3,047,328	739,622	3,786,950	3,027,829	738,048	3,765,877	3,104,501	738,048	3,842,549
Washington	1,932,358	1,365,808	3,298,166	1,918,913	1,373,209	3,292,122	1,975,226	1,373,209	3,348,435
West Virginia	1,924,626	509,444	2,434,070	1,912,833	507,760	2,420,593	1,957,963	507,760	2,465,723
Wisconsin	3,664,951	946,180	4,611,131	3,639,169	948,867	4,588,036	3,746,828	948,867	4,695,695
Wyoming	906,381	501,883	1,408,264	900,367	501,482	1,401,849	924,368	501,482	1,425,850
Other	0	215,700	215,700	0	215,700	215,700	0	215,700	215,700
SUBTOTAL	122,634,524	38,951,827	161,586,351	122,468,255	38,780,870	161,249,125	125,777,382	38,780,870	164,558,252
Federal Admin.	0	0	4,827,939	0	0	4,827,939	0	0	4,967,919
Unoblig. Bal.	167,778	0	167,778	0	0	0	0	0	0
SBIR set-aside.	1,555,934	493,529	2,049,463	1,867,121	592,235	2,459,356	1,917,514	609,732	2,527,246
Biotech. Risk	0	0	0	0	0	0	0	0	0
Assessment	116,512	36,957	153,469	139,372	44,208	183,580	139,372	44,208	183,580
Contingency	0	0	0	0	65,000	65,000	0	1,214,003	1,214,003
TOTAL	124,474,748	39,482,313	168,785,000	124,474,748	39,482,313	168,785,000	127,834,268	40,648,813	173,451,000

(a) Final distribution will be determined at a later date by a statutory committee authorized in the Hatch Act.

Table 3
Distribution of Funds under the McIntire-Stennis Cooperative
Forestry Research Act
(In Dollars)

State/Recipient -----	Fiscal Year 1992 Actual -----	Fiscal Year 1993 Estimate -----	Fiscal Year 1994 Estimate -----
ALABAMA			
Agricultural Experiment Station, Auburn University	\$600,994	\$585,928	\$797,501
ALASKA			
Agricultural Experiment Station, University of Alaska	358,939	356,819	482,037
AMERICAN SAMOA			
American Samoa Community College	0	0	0
ARIZONA			
Agricultural Experiment Station, University of Arizona	127,601	126,860	170,039
School of Forestry, Northern Arizona University	127,601	126,860	170,039
ARKANSAS			
Agricultural Experiment Station, Univ. of Arkansas	508,782	482,829	655,542
CALIFORNIA			
Agricultural Experiment Station, Univ. of California	443,910	441,249	600,145
Department of Forestry, California State Univ., Humboldt	83,233	82,734	112,527
California Polytechnic State University	27,744	27,578	37,509
COLORADO			
College of Forestry and Natural Resources, Colorado State Univ.	266,728	265,175	355,852
CONNECTICUT			
Agricultural Experiment Station, New Haven	139,533	155,923	207,738
Agricultural Experiment Station, Univ. of Connecticut, Storrs .	46,511	51,974	69,246
DELAWARE			
Agricultural Experiment Station, University of Delaware	93,833	93,343	119,254
FLORIDA			
Agricultural Experiment Station, University of Florida	531,835	494,284	671,316
GEORGIA			
School of Forest Resources, University of Georgia	612,520	608,839	829,047
GUAM			
Agricultural Experiment Station, University of Guam	0	36,066	40,388
HAWAII			
Agricultural Experiment Station, University of Hawaii	128,412	127,710	166,573
IDAHO			
College of Forestry, University of Idaho	405,045	402,641	545,130
ILLINOIS			
Agricultural Experiment Station, University of Illinois	156,417	155,498	209,472
Department of Forestry, Southern Illinois University	156,417	155,498	209,472
INDIANA			
Agricultural Experiment Station, Purdue University	324,360	322,452	434,718
IOWA			
Agriculture & Home Economics Experiment Sta., Iowa State Univ.	197,570	196,442	261,212
KANSAS			
Agricultural Experiment Station, Kansas State University	162,991	162,076	213,893
KENTUCKY			
Agricultural Experiment Station, University of Kentucky	381,992	368,274	497,810
LOUISIANA			
Agricultural Experiment Station, Louisiana State University ...	364,216	370,055	503,045
School of Forestry, Louisiana Tech University	156,093	158,595	215,591
MAINE			
Agricultural Experiment Station, University of Maine	543,362	540,106	734,408
MARYLAND			
Agricultural Experiment Station, University of Maryland	220,623	242,264	324,305
MASSACHUSETTS			
Agricultural Experiment Station, University of Massachusetts ..	232,149	230,809	308,532

State/Recipient -----	Fiscal Year 1992 Actual -----	Fiscal Year 1993 Estimate -----	Fiscal Year 1994 Estimate -----
MICHIGAN			
Agricultural Experiment Station, Michigan State University	\$165,752	\$168,580	\$229,029
School of Natural Resources, University of Michigan	165,752	168,580	\$229,029
Department of Forestry, Michigan Technological University	165,752	168,580	\$229,029
MICRONESIA			
College of Micronesia	0	0	0
MINNESOTA			
Agricultural Experiment Station, University of Minnesota	439,624	437,007	592,450
MISSISSIPPI			
School of Forest Resources, Mississippi State University	577,941	574,472	781,728
MISSOURI			
Agricultural Experiment Station, University of Missouri	347,413	345,363	466,264
MONTANA			
School of Forestry, University of Montana	393,519	391,185	529,357
NEBRASKA			
Agricultural Experiment Station, University of Nebraska	139,938	139,165	182,346
NEVADA			
Agricultural Experiment Station, University of Nevada	59,253	58,977	71,934
NEW HAMPSHIRE			
Agricultural Experiment Station, University of New Hampshire ..	301,307	288,086	387,398
NEW JERSEY			
Agricultural Experiment Station, Rutgers University	174,517	173,532	229,666
NEW MEXICO			
Agricultural Experiment Station, New Mexico State University ..	209,096	219,353	292,759
NEW YORK			
Agricultural Experiment Station, Cornell University	147,367	149,346	203,319
College of Environmental Science and Forestry, State University of New York	442,100	448,037	609,956
NORTH CAROLINA			
School of Forest Resources, North Carolina State University ...	566,414	563,017	765,955
NORTH DAKOTA			
Agricultural Experiment Station, North Dakota State University	70,780	70,433	87,707
OHIO			
Agricultural Experiment Station, Ohio State University	335,887	333,908	450,491
OKLAHOMA			
Agricultural Experiment Station, Oklahoma State University	289,781	299,542	403,171
OREGON			
School of Forestry, Oregon State University	635,573	631,749	860,594
PENNSYLVANIA			
Agricultural Experiment Station, Pennsylvania State University	451,151	448,462	608,223
PUERTO RICO			
Agricultural Experiment Station, University of Puerto Rico	82,306	81,888	103,480
RHODE ISLAND			
Agricultural Experiment Station, University of Rhode Island ...	105,359	116,254	150,800
SOUTH CAROLINA			
College of Forest and Recreation Resources, Clemson University	462,677	459,918	623,996
SOUTH DAKOTA			
Agricultural Experiment Station, South Dakota State University	116,885	104,799	135,027
TENNESSEE			
Agricultural Experiment Station, University of Tennessee	416,571	414,096	560,903
TEXAS			
Agricultural Experiment Station, Texas A&M University	237,102	235,687	319,885
School of Forestry, Stephen F. Austin State University	237,102	235,687	319,885
UTAH			
College of Natural Resources, Utah State University	151,464	150,621	198,120
VERMONT			
School of Natural Resources, University of Vermont	278,255	276,631	371,625
VIRGIN ISLANDS			
Agricultural Experiment Station, Univ. of the Virgin Islands ..	47,727	47,522	56,161

State/Recipient -----	Fiscal Year 1992 Actual -----	Fiscal Year 1993 Estimate -----	Fiscal Year 1994 Estimate -----
VIRGINIA			
School of Forestry and Wildlife Resources, Virginia Polytechnic Institute and State University	\$485,730	\$517,195	\$702,862
WASHINGTON			
Agricultural Experiment Station, Washington State University ..	280,821	279,132	464,651
College of Forest Resources, University of Washington	343,225	341,162	380,169
WEST VIRGINIA			
Agricultural Experiment Station, West Virginia University	370,466	379,730	513,584
WISCONSIN			
Agricultural Experiment Station, University of Wisconsin	428,098	425,551	576,676
WYOMING			
Agricultural Experiment Station, University of Wyoming	220,623	184,987	245,439
Subtotal	17,742,739	17,697,115	23,876,009
Federal administration (3%)	555,990	555,990	841,350
Small Business Act	224,713	269,655	408,055
Biotechnology Risk Assessment	9,558	10,240	10,240
Regional forest ecosystem research	0	0	2,909,346
Total	18,533,000	18,533,000	28,045,000

Table 4

Evans-Allen Payments to 1890 Colleges and Tuskegee University
Under Section 1445, Public Law 95-113, As Amended
(In Dollars)

State/Institution	Fiscal Year 1992 Actual	Fiscal Year 1993 Estimate	Fiscal Year 1994 Estimate
ALABAMA			
Alabama A&M University	\$1,530,581	\$1,526,433	\$1,562,990
Tuskegee University	1,511,162	1,507,067	1,543,624
ARKANSAS			
University of Arkansas--Pine Bluff..	1,342,586	1,338,947	1,371,360
DELAWARE			
Delaware State College	519,671	518,262	529,892
FLORIDA			
Florida A&M University	1,103,603	1,100,611	1,138,377
GEORGIA			
Fort Valley State College	1,706,168	1,701,544	1,750,123
KENTUCKY			
Kentucky State University	1,966,458	1,961,127	2,022,523
LOUISIANA			
Southern University	1,221,624	1,218,314	1,248,444
MARYLAND			
University of Maryland-Eastern Shore	898,843	896,407	920,433
MISSISSIPPI			
Alcorn State University	1,874,258	1,869,177	1,930,224
MISSOURI			
Lincoln University	1,558,358	1,554,136	1,587,685
NORTH CAROLINA			
North Carolina A&T State University.	2,456,351	2,449,694	2,514,914
OKLAHOMA			
Langston University	1,247,973	1,244,590	1,280,090
SOUTH CAROLINA			
South Carolina State College.....	1,321,658	1,318,077	1,352,125
TENNESSEE			
Tennessee State University	1,869,725	1,864,658	1,914,928
TEXAS			
Prairie View A&M College	2,455,777	2,449,119	2,529,978
VIRGINIA			
Virginia State College	1,607,222	1,602,867	1,646,596
CRIS	38,100	38,100	38,100
Subtotal	26,230,118	26,159,130	26,882,406
Federal Administration (3%)	822,000	822,000	844,710
Small Business Set-Aside	332,225	398,670	409,684
Biotechnology Risk Assessment	15,657	20,200	20,200
TOTAL	27,400,000	27,400,000	28,157,000

Table 5
Distribution of Funds for Animal Health and Disease Research
Section 1433, P.L. 95-113
(In Dollars)

State/Recipient -----	Fiscal Year 1992 Actual -----	Fiscal Year 1993 Est. -----
ALABAMA		
Agricultural Experiment Station, Auburn University	\$45,581	\$45,786
School of Veterinary Medicine, Auburn University	67,046	68,300
School of Veterinary Medicine, Tuskegee University	3,871	1,968
ALASKA		
Agricultural Experiment Station, University of Alaska	6,052	6,778
ARIZONA		
Agricultural Experiment Station, University of Arizona	54,046	48,900
ARKANSAS		
Agricultural Experiment Station, University of Arkansas	83,430	83,394
CALIFORNIA		
Agricultural Experiment Station, Univ. of California, Oakland .	198,130	192,383
School of Veterinary Medicine, University of California, Davis.	213,718	262,861
COLORADO		
Agricultural Experiment Station and College of Veterinary Medicine, Colorado State University	298,410	304,402
CONNECTICUT		
Agricultural Experiment Station, Univ. of Connecticut, Storrs .	18,916	17,969
DELAWARE		
Agricultural Experiment Station, University of Delaware	20,912	21,057
FLORIDA		
Agricultural Experiment Station, University of Florida	67,899	51,269
College of Veterinary Medicine, University of Florida	71,230	80,901
GEORGIA		
Agricultural Experiment Station, University of Georgia	21,809	19,337
College of Veterinary Medicine, University of Georgia	123,038	122,294
HAWAII		
Agricultural Experiment Station, University of Hawaii	7,185	7,466
IDAHO		
Agricultural Experiment Station, University of Idaho	47,612	48,693
ILLINOIS		
Agricultural Experiment Station and College of Veterinary Medicine, University of Illinois	136,879	149,716
INDIANA		
Agricultural Experiment Station and College of Veterinary Medicine, Purdue University	90,898	84,060
IOWA		
Agriculture & Home Economics Experiment Sta., Iowa State Univ.	45,082	42,365
College of Veterinary Medicine, Iowa State University	211,289	206,472
KANSAS		
Agricultural Experiment Station and College of Veterinary Medicine, Kansas State University	185,999	191,687
KENTUCKY		
Agricultural Experiment Station, University of Kentucky	83,059	79,247
LOUISIANA		
Agricultural Experiment Station, Louisiana State University ...	58,329	58,254
College of Veterinary Medicine, Louisiana State University	46,443	42,662
MAINE		
Agricultural Experiment Station, University of Maine	19,874	20,783
MARYLAND		
Agricultural Experiment Station, University of Maryland	38,381	37,758

State/Recipient -----	Fiscal Year 1992 Actual -----	Fiscal Year 1993 Est. -----
MASSACHUSETTS		
Agricultural Experiment Station, University of Massachusetts ..	\$9,463	\$11,112
School of Veterinary Medicine, Tufts University	25,288	17,927
MICHIGAN		
Agricultural Experiment Station and College of Veterinary Medicine, Michigan State University	82,970	74,654
MINNESOTA		
Agricultural Experiment Station, University of Minnesota	76,246	75,155
College of Veterinary Medicine, University of Minnesota	102,211	99,770
MISSISSIPPI		
Agricultural and Forestry Experiment Station and College of Veterinary Medicine, Mississippi State University	75,438	71,031
MISSOURI		
Agricultural Experiment Station, University of Missouri	61,237	66,236
College of Veterinary Medicine, University of Missouri	97,388	96,193
MONTANA		
Agricultural Experiment Station, Montana State University	70,217	71,143
NEBRASKA		
Agricultural Experiment Station, University of Nebraska	193,214	203,572
NEVADA		
Agricultural Experiment Station, University of Nevada	25,377	23,720
NEW HAMPSHIRE		
Agricultural Experiment Station, University of New Hampshire ..	9,657	8,588
NEW JERSEY		
Agricultural Experiment Station, Rutgers University	22,347	18,811
NEW MEXICO		
Agricultural Experiment Station, New Mexico State University ..	38,605	39,460
NEW YORK		
Agricultural Experiment Station, Cornell University	61,306	48,102
College of Veterinary Medicine, Cornell University	202,254	187,249
NORTH CAROLINA		
Agricultural Experiment Station, North Carolina State University	99,244	88,748
College of Veterinary Medicine, North Carolina State University	6,624	12,473
NORTH DAKOTA		
Agricultural Experiment Station, North Dakota State University	52,878	52,148
OHIO		
Ohio Agricultural Research and Dev. Center, Ohio State Univ. ..	79,763	72,082
College of Veterinary Medicine, Ohio State University	37,962	38,844
OKLAHOMA		
Agricultural Experiment Station and College of Veterinary Medicine, Oklahoma State University	134,025	142,627
OREGON		
Agricultural Experiment Station, Oregon State University	74,161	80,325
College of Veterinary Medicine, Oregon State University	17,400	15,690
PENNSYLVANIA		
Agricultural Experiment Station, Pennsylvania State Univ.	57,058	62,029
College of Veterinary Medicine, University of Pennsylvania	87,133	78,107
PUERTO RICO		
Agricultural Experiment Station, University of Puerto Rico	13,178	12,870
RHODE ISLAND		
Agricultural Experiment Station, University of Rhode Island ...	6,771	6,275
SOUTH CAROLINA		
Agricultural Experiment Station, Clemson University	25,120	26,051
SOUTH DAKOTA		
Agricultural Experiment Station, South Dakota State University	98,550	99,581

State/Recipient -----	Fiscal Year 1992 Actual -----	Fiscal Year 1993 Est. -----
TENNESSEE		
Agricultural Experiment Station and College of Veterinary Medicine, University of Tennessee	64,763	\$64,278
TEXAS		
Agricultural Experiment Station and College of Veterinary Medicine, Texas A&M University	\$404,473	410,628
UTAH		
Agricultural Experiment Station, Utah State University	52,649	56,858
VERMONT		
Agricultural Experiment Station, University of Vermont	14,023	13,282
VIRGINIA		
Agricultural Experiment Station and College of Veterinary Medicine, Virginia Polytechnic Institute and State Univ.	93,987	84,628
WASHINGTON		
Agricultural Experiment Station, Washington State Univ.	31,772	28,219
College of Veterinary Medicine, Washington State Univ.	144,607	146,265
WEST VIRGINIA		
Agricultural & Forestry Experiment Station, West Virginia State University	11,967	11,950
WISCONSIN		
Agricultural Experiment Station and College of Veterinary Medicine, University of Wisconsin	183,596	178,784
WYOMING		
Agricultural Experiment Station, University of Wyoming	37,591	38,629
Subtotal	5,247,631	5,230,856
Federal administration	222,040	222,040
Small Business Act	66,612	79,934
Biotechnology Risk Assessment	14,717	18,170
Total	5,551,000	5,551,000

National Research Initiative Competitive Grants Program
Proposals Submitted and Grants Awarded in Fiscal Year 1992

Program	Proposals Received	Dollars Requested	Grants Awarded	Dollars Awarded
NATURAL RESOURCES AND THE ENVIRONMENT				
NR-Forest/Rangeland/Crop Ecosystems	90	19,573,756	26	\$3,567,243
NRICGP Water Quality	117	27,281,384	21	3,430,010
Improved Utilization of Wood & Wood Fibers	108	13,960,125	24	2,132,000
Plant Response to the Environment	189	39,869,540	52	6,978,600
Triagency Natural Resources	(a)	(a)	3	200,000
Natural Resources Strengthening	36	1,434,968	17	700,000
Subtotal	540	102,119,773	143	17,007,853
NUTRITION, FOOD QUALITY AND HEALTH				
Human Nutrition	116	32,638,518	29	3,664,147
Food Safety	69	13,232,122	16	2,216,135
Nutrition Strengthening	12	654,231	6	261,443
Subtotal	197	46,524,871	51	6,141,725
ANIMAL SYSTEMS				
Reproductive Biology	134	29,094,166	36	5,713,916
Cellular Growth/Developmental Biology	135	33,573,732	27	5,179,457
Animal Molecular Genetics	54	13,761,116	14	2,150,987
Molecular & Cellular Basis of Disease	286	68,526,758	59	9,725,520
Animal Systems Strengthening	39	1,743,655	20	852,139
Subtotal	648	146,699,427	156	23,622,019
PLANT SYSTEMS				
Alcohol Fuels	17	3,510,802	3	500,000
Nitrogen Fixation/Metabolism	76	14,830,027	34	2,940,000
PS-Forest/Rangeland/Crop Ecosystem	3	605,374	1	93,640
Pathogens	209	42,023,608	60	5,770,000
Photosynthesis	72	17,965,826	28	2,820,000
Plant Genetic Mechanisms	134	32,472,054	47	4,626,000
Plant Genome	106	30,832,527	36	6,880,000
Plant Growth & Development	188	40,252,071	55	5,560,000
Plant Pest Interactions, Insects, Nematodes	266	49,617,258	66	7,288,329
Triagency Plant Systems	(a)	(a)	2	167,240
Plant Systems Strengthening	88	3,887,657	28	1,150,021
Subtotal	1,159	235,997,204	360	37,795,230
MARKETS, TRADE AND POLICY				
Markets, Competitiveness & Technology	111	20,235,979	21	1,897,159
Rural Development	84	13,744,233	14	1,764,841
Markets Strengthening	12	563,802	3	130,000
Subtotal	207	34,544,014	38	3,792,000
PROCESSING FOR VALUE ADDED PRODUCTS				
Processing for Value Added	143	30,699,319	26	3,633,531
Processing Strengthening	17	730,298	3	145,992
Subtotal	160	31,429,617	29	3,779,523
TOTAL	2,911	597,314,906	777	92,138,350
Performing Organization	Proposals Received	Dollars Requested	Grants Awarded	Dollars Awarded
1862 Land-Grant Universities	1,539	\$315,601,975	330	\$41,405,925
1890 Land-Grant Universities	37	6,005,826	3	110,880
Other	30	4,673,218	5	416,100
Other Federal Research Laboratories	22	4,714,714	7	860,000
Private Non-Profit	88	23,442,544	17	1,575,939
Private Profit	13	2,311,962	2	168,000
Private Universities	122	24,252,601	48	4,985,397
Public Universities	314	78,671,036	81	10,015,849
SAES	496	86,666,473	238	26,456,625
State and Local Agencies	2	517,397	0	0
USDA Agencies	145	28,164,151	28	3,079,635
Veterinary Schools & Colleges	103	22,293,009	18	3,064,000
TOTAL	2,911	597,314,906	777	92,138,350

(a) Proposals submitted to collaborative Research in Plant Biology Program supported jointly by USDA, NSF, and DOE. Total of 66 proposals requesting \$94,182,414 were submitted.

Table 7
National Research Initiative Competitive Grants
Fiscal Year 1992 Recipients
(In Dollars)

State/Recipient -----	Fiscal Year 1992 Actual -----
ALASKA	
University of Alaska, Fairbanks	\$18,759
ALABAMA	
Auburn University	792,380
ARIZONA	
University of Arizona	2,187,147
Arizona State University	240,000
Northern Arizona University	399,160
ARKANSAS	
University of Arkansas	506,252
University of Arkansas for Medical Sciences, Little Rock	120,000
CALIFORNIA	
University of California, Davis	6,336,712
University of California, Berkeley	1,654,400
San Diego State University	100,000
San Francisco State University	170,167
University of California, Santa Barbara	180,000
University of California, San Diego	390,000
University of California, San Francisco	240,000
University of California, Santa Cruz	10,000
University of California, Riverside	1,380,000
University of California, Los Angeles	115,000
Rancho Santa Ana Botanic Garden	210,000
Research Institute of Scripps Clinic	69,000
Beckman Research Institute of the City of Hope	150,000
California State University, Hayward	50,000
California Polytechnic State University	49,740
Keith D. Allen	70,000
Elena del Campillo	93,000
Daniel F. Ortiz	84,300
USDA, ARS Pacific West Area	295,044
COLORADO	
Colorado State University	1,520,342
University of Colorado, Colorado Springs	90,000
University of Colorado Health Sciences Center, Denver	148,401
USDA, ARS Northern Plains Area	149,000
CONNECTICUT	
Connecticut Agricultural Experiment Station	172,500
University of Connecticut, Storrs	432,588
Yale University	328,000
DELAWARE	
University of Delaware	250,000
DISTRICT OF COLUMBIA	
Georgetown University	180,000
USDA, ERS, ARED	134,091
FLORIDA	
Florida State University	120,000
University of Florida	2,470,065
University of South Florida	125,000
GEORGIA	
University of Georgia, Athens	2,205,561
USDA, ARS South Atlantic Area	750,000
Mercer University	49,992
Institute of Paper Science & Technology	102,000

State/Recipient -----	Fiscal Year 1992 Actual -----
HAWAII	
University of Hawaii	516,754
IDAHO	
University of Idaho	494,935
ILLINOIS	
Illinois State University	200,000
Loyola University of Chicago	107,925
Northern Illinois University	120,000
Northwestern University	50,000
University of Illinois, Chicago	65,000
University of Illinois, Urbana	3,321,485
USDA, ARS Mid-West Area	938,500
INDIANA	
Butler University	50,000
Indiana University	45,979
Purdue University	2,269,491
IOWA	
Iowa State University	1,795,926
University of Iowa	412,000
Cornell College	49,539
Botanical Society of America	2,000
KANSAS	
Kansas State University	1,273,995
University of Kansas Medical Center, Kansas City	6,005
KENTUCKY	
University of Louisville	210,000
University of Kentucky	734,174
LOUISIANA	
Louisiana State University & A&M College	412,000
Louisiana State University Medical Center, Shreveport	200,000
Southern University and A&M College, Baton Rouge	10,880
USDA, Forest Service Southern Forest Experiment Station	150,000
MAINE	
University of Maine	483,092
Colby College	49,992
MARYLAND	
University of Maryland	665,663
Uniformed Service University of the Health Sciences	140,000
American Society for Cell Biology	12,500
USDA, ARS Beltsville Area	588,000
Advanced Bioscience Lab, Inc.	100,000
MASSACHUSETTS	
University of Massachusetts	429,000
Boston College	60,000
Boston University	140,000
Tufts University	453,105
Harvard University	338,000
Massachusetts General Hospital	325,000
Lawrence J. Zwiebel	86,400
MICHIGAN	
Central Michigan University	49,973
Michigan State University	2,148,040
Michigan Technological University	295,000
University of Michigan	844,167
MINNESOTA	
University of Minnesota	1,730,350

State/Recipient -----	Fiscal Year 1992 Actual -----
MISSISSIPPI	
Mississippi State University	455,124
University of Southern Mississippi	63,900
University of Mississippi Medical Center	50,000
MISSOURI	
University of Missouri	2,315,697
Washington University	520,000
Monsanto Agricultural Company	168,000
MONTANA	
Montana State University	687,287
University of Montana	220,000
NEBRASKA	
University of Nebraska	1,175,414
NEW HAMPSHIRE	
University of New Hampshire	204,111
Dartmouth College	180,000
NEW JERSEY	
Rutgers, The State University	1,606,900
NEW MEXICO	
New Mexico State University	459,875
NEW YORK	
Cornell University	3,714,021
State University of New York, Albany	654,780
State University of New York, Buffalo	10,000
University of Rochester	200,000
Boyce Thompson Institute	360,000
Rensselaer Polytechnic	100,000
Cold Spring Harbor Lab	138,000
Syracuse University	275,000
New York University	2,000
Vassar College	84,544
State University of Binghamton	50,000
Wells College	50,000
NORTH CAROLINA	
North Carolina State University	2,232,525
University of North Carolina, Greensboro	243,611
University of North Carolina, Chapel Hill	239,560
Bowman Gray School of Medicine at Wake Forest University	200,000
Duke University	409,300
East Carolina University	71,902
James D. Bever	82,400
NORTH DAKOTA	
North Dakota State University	472,224
OHIO	
Ohio State University	1,485,984
Ohio University	200,000
Case Western Reserve University	96,000
University of Dayton	100,000
Miami University	102,000
Bowling Green State University	110,000
Children's Hospital Medical Center	186,839
OKLAHOMA	
Oklahoma State University	976,159
University of Oklahoma	110,000
OREGON	
Oregon State University	2,387,029
Reed College	120,000

State/Recipient	Fiscal Year 1992 Actual

PENNSYLVANIA	
Pennsylvania State University	735,970
Duquesne University	50,000
University of Pennsylvania	515,000
USDA, ARS North Atlantic Area	225,000
University of Pittsburg	185,000
Swarthmore College	110,000
RHODE ISLAND	
Gordon Research Conference	22,600
University of Rhode Island	261,296
SOUTH CAROLINA	
University of South Carolina	34,056
Clemson University	548,327
Medical University of South Carolina	265,000
SOUTH DAKOTA	
South Dakota State University	656,879
TENNESSEE	
Vanderbilt University	5,000
University of Tennessee, Knoxville	1,732,913
TEXAS	
Texas Tech University	366,248
University of Texas, Austin	398,000
University of Texas Health Science Center	130,000
Southwest Texas State University	170,000
Baylor College of Medicine	100,000
Rice University	280,000
Prairie View A&M University	100,000
University of Texas Southwestern Medical Center at Dallas	520,000
Texas A&M Research Foundation	3,304,842
UTAH	
Utah State University	613,500
University of Utah	600,000
VERMONT	
University of Vermont	389,812
VIRGINIA	
Virginia Polytechnic Institute & State University	844,165
WASHINGTON	
Washington State University	835,000
University of Washington	1,004,200
WEST VIRGINIA	
West Virginia University	444,387
WISCONSIN	
University of Wisconsin, Madison	4,436,535
Forest Service, Forest Products Laboratory	710,000
Marquette University	100,000
WYOMING	
University of Wyoming	360,963

Total	92,138,350
Federal administration (4%)	3,900,000
Small Business Act	1,170,000
Biotechnology Risk Assessment	291,650

Total	97,500,000
=====	

Table 8
National Needs Graduate Fellowships Grants
Proposals Submitted and Grants Awarded in Fiscal Year 1992

	Proposals Submitted			Grants Awarded		
	Proposals Received	Fellows Requested	Dollars Requested	Grants Awarded	Fellows Supported	Dollars Awarded
Biotechnology Animal	33	127	\$6,832,000	9	21	1,134,000
Food, Forest Products or Agribusiness Marketing	20	72	3,874,000	9	21	1,134,000
Food Science	18	64	3,456,000	6	10	540,000
Human Nutrition	19	68	3,687,000	6	11	575,520
Food Science/Human Nutrition	2	8	432,000	- -	- -	- -
Engineering - Food Forest/Products or Agricultural (a)	1	1	11,480	1	1	11,480
TOTAL	93	340	18,292,480	31	64	3,395,000

(a) Completion of funding for a partial fellowship awarded in FY 1991.

Table 9
National Needs Graduate Fellowship Grants
Fiscal Year 1992 Recipients
(In Dollars)

Area/Recipient -----	Fiscal Year 1992 Actual -----
BIOTECHNOLOGY - ANIMAL	
Colorado State University	108,000
University of Delaware	162,000
University of Florida	108,000
University of Illinois	108,000
Michigan State University	108,000
University of Minnesota	162,000
University of Missouri, Columbia	270,000
Cornell University, New York	108,000
ENGINEERING - FOOD, FOREST PRODUCTS OR AGRICULTURAL	
Pennsylvania State University (a)	11,480
FOOD SCIENCE	
Iowa State University	54,000
Purdue University	54,000
University of Minnesota	108,000
University of Nebraska	162,000
North Carolina State University	54,000
Ohio State University	108,000
HUMAN NUTRITION	
University of California, Davis	54,000
University of Chicago	108,000
Cornell University	162,000
Ohio State University	54,000
Pennsylvania State University	54,000
University of Wisconsin	143,520
FOOD, FOREST PRODUCTS, OR AGRIBUSINESS MARKETING	
University of California, Davis	108,000
University of Florida	162,000
Iowa State University	162,000
University of Illinois	108,000
Purdue University	162,000
Kansas State University	108,000
University of Minnesota	54,000
Ohio State University	162,000
Virginia Polytech Inst & State Univ	108,000
Subtotal	3,395,000
Federal administration (3%)	105,000
Total	3,500,000 =====

(a) Completion of funding for a partial fellowship awarded in FY 1991.

Table 10
Competitive Challenge Grants
Fiscal Year 1992 Recipients
(In Dollars)

Recipient -----	Fiscal Year 1992 Actual -----
University of Florida.....	\$56,149
University of Georgia.....	123,306
University of Hawaii, Manoa.....	63,956
University of Illinois.....	127,910
Purdue Research Foundation.....	119,608
Kansas State University	121,133
Morehead State University.....	60,254
University of Massachusetts.....	51,386
University of Maryland.....	63,952
Michigan State University.....	64,000
University of Minnesota.....	80,000
New Mexico State University.....	40,000
Research Foundation of State University of New York....	61,629
Cornell University.....	125,462
State University of New York, Albany.....	62,054
Ohio State University Research Foundation.....	63,958
Texas A&M University System.....	108,883
University of Vermont.....	61,360
Subtotal	1,455,000
Federal administration (3%)	45,000
Total	1,500,000
	=====

Table 11
1890 Institution Capacity Building Grants
Fiscal Year 1992 Recipients
(In dollars)

Category/Recipient	Fiscal Year 1992 Actual

Research Capacity Building Grants	

Alabama A&M University	\$771,797
Tuskegee University, Alabama	585,621
Delaware State College	240,694
Florida A&M University	584,932
Fort Valley State College	401,365
Kentucky State University	328,000
Alcorn State University, Mississippi	287,456
Langston University, Oklahoma	638,366
South Carolina State College	314,928
Tennessee State University	314,857
Prairie View A&M University	363,996
Virginia State University	72,808

Subtotal, Research Grants	4,904,820
Teaching Capacity Building Grants	

Alabama A&M University	215,810
Tuskegee University, Alabama	401,986
University of Arkansas-Pine Bluff	401,522
Florida A&M University	402,675
Fort Valley State College, Georgia	164,135
Southern University.....	202,500
University of Maryland-Eastern Shore	452,439
Lincoln University	597,863
Alcorn State University, Mississippi	574,337
North Carolina A&T State University	602,278
Langston University	349,241
South Carolina State College	202,229
Prairie View A&M University	202,500
Virginia State University	201,735

Subtotal, Teaching Grants	4,971,250
Federal administration (3%)	307,500
Small Business Act	62,141
Biotechnology Risk Assessment	4,289

Total	10,250,000
=====	

COOPERATIVE STATE RESEARCH SERVICE

The estimates include proposed changes in the language of this item as follows (new language underscored; deleted matter enclosed in brackets):

[Buildings and Facilities:]

[For acquisition of land, construction, repair, improvement, extension, alteration, and purchase of fixed equipment or facilities and for grants to States and other eligible recipients for such purposes, as necessary to carry out the agricultural research, extension, and teaching programs of the Department of Agriculture, where not otherwise provided, \$52,101,000, to remain available until expended (7 U.S.C. 2209b).]

No funding is proposed for this program in fiscal year 1994.

COOPERATIVE STATE RESEARCH SERVICE

BUILDINGS AND FACILITIES

Appropriations Act, 1993	\$52,101,000
Budget Estimate, 1994	- -

Decrease in Appropriations	-52,101,000
	=====

SUMMARY OF DECREASE

Item of Change -----	1993 Estimated -----	Program Change -----	1994 Estimated -----
Buildings and Facilities	\$52,101,000	-\$52,101,000	- -
	=====	=====	=====

PROJECT STATEMENT
(On basis of appropriation)

Project	1992 Actual		1993 Estimated		Increase or Decrease	1994 Estimated	
	Amount	Staff: Years	Amount	Staff: Years		Amount	Staff: Years
ALABAMA:							
Wallace State Junior							
College Wellness							
Center	- -		(a)		- -	- -	
ARIZONA:							
Agric. Research Com-							
plex-Envir. Stress							
Lab, University of							
Arizona, Tucson ...	\$100,000		\$1,100,000		-\$1,000,000	- -	
ARKANSAS:							
Ctr. for Alter. Pest							
Control Research.							
Univ. of Arkansas .	500,000		- -		- -	- -	
Poultry Center for							
Excellence, Univ.							
of Arkansas	3,050,000		3,189,000		-3,189,000	- -	
Poultry Laboratory &							
Isolation Facility,							
Univ. of Arkansas .	250,000		- -		- -	- -	
Livestock Research &							
Activity Complex ..	- -		(a)		- -	- -	
CALIFORNIA:							
Altern. Pest Control							
Containment and							
Quarantine Fac.,							
Univ. of CA., Davis	- -		385,000		-385,000	- -	
Grape Import. Facil.							
Univ. of CA., Davis	- -		2,191,000		-2,191,000	- -	
COLORADO:							
Animal Reproduction							
Biotechnology,							
Colorado State Univ.	- -		(a)		- -	- -	
DELAWARE:							
Poultry Biocontain-							
ment Laboratory	- -		(a)		- -	- -	
FLORIDA:							
Ag. Biotech. Inst.,							
Univ. of Florida ..	840,000		276,000		-276,000	- -	
GEORGIA:							
Biocontainment Facil.							
Univ. of Georgia ..	425,000		- -		- -	- -	
Ctr. for Advanced							
Water Technology,							
Savannah State Col-							
lege	136,000		376,000		-376,000	- -	
Nat. Lab. for Envir.							
Sound Prod. Ag.,							
Univ. of GA., Tifton	1,775,000		1,293,000		-1,293,000	- -	
Vidalia Onion Storage							
Research Facility,							
Univ. of GA., Tifton	225,000		194,000		-194,000	- -	
Ag. Livestock and							
Poultry Facil.,							
Univ. of GA., Athens	(a)		- -		- -	- -	
Center for Rural							
Health & Epidemi-							
ology, Georgia							
Southern University	- -		(a)		- -	- -	
HAWAII:							
Ctr. for Tropical &							
Subtropical Agric.,							
Univ. of Hawaii ...	3,842,000		3,311,000		-3,311,000	- -	

Project	1992 Actual		1993 Estimated		Increase or Decrease	1994 Estimated	
	Amount	Staff: Years	Amount	Staff: Years		Amount	Staff: Years
IDAHO:							
Biotech. Facility, Univ. of Idaho	- -		\$931,000		-\$931,000	- -	
ILLINOIS:							
Biotech. Center, Northwestern Univ..	\$600,000		517,000		-517,000	- -	
National Soybean Lab., Univ. of Illinois .	1,987,000		- -		- -	- -	
INDIANA:							
Molecular & Cellular Biotech. Facility, Indiana University	2,750,000		2,155,000		-2,155,000	- -	
IOWA:							
Trade Marketing Center	- -		(a)		- -	- -	
KANSAS:							
Plant Science Ctr., Kansas State Univ.	1,570,000		1,353,000		-1,353,000	- -	
LOUISIANA:							
Fish Processing Facility	- -		(a)		- -	- -	
Red Meat Processing Facility	- -		(a)		- -	- -	
MAINE:							
Presque Isle Farm Bldg. Consolidation, University of Maine	150,000		776,000		-776,000	- -	
Wood Processing Facilities	- -		(a)		- -	- -	
MARYLAND:							
Institute for Nat. Resources & Envir. Science, Univ. of Maryland	1,000,000		862,000		-862,000	- -	
MASSACHUSETTS:							
Center for Hunger, Poverty, Nutrition & Policy, Tufts Univ.	- -		1,046,000		-1,046,000	- -	
MICHIGAN:							
Food Toxicology Ctr., Michigan State Univ.	5,076,000		15,010,000		-15,010,000	- -	
MISSISSIPPI:							
Biological Technology Ctr. for Water and Resources, Univ. of Mississippi	- -		186,000		-186,000	- -	
MISSOURI:							
Bennett Living and Learning Center, Lincoln Univ.....	145,000		- -		- -	- -	
Meat Science & Safety Center	- -		(a)		- -	- -	
Bioscience Research Ctr., U. of Missouri:	- -		(a)		- -	- -	
MONTANA:							
Bioscience Center, Montana State Univ.	1,062,000		915,000		-915,000	- -	
NEBRASKA:							
Ctr for Advan. Tech. Univ. of Nebraska .	4,500,000		- -		- -	- -	
NEVADA:							
Biochemistry and Biology Field Re- search Station, Univ. of Nevada ...	250,000		215,000		-215,000	- -	

Project	1992 Actual -		1993 Estimated		Increase or Decrease	1994 Estimated	
	Amount	Staff: Years:	Amount	Staff: Years:		Amount	Staff: Years:
NEW JERSEY:							
Plant Bioscience							
Fac., Rutgers Univ.	\$3,044,000		\$2,623,000		-\$2,623,000	- -	
NEW MEXICO:							
Center for Arid Land							
Studies, New Mexico							
State University ..	- -		(a)		- -	- -	
NEW YORK:							
New York Botanical							
Garden	1,350,000		3,697,000		-3,697,000	- -	
Cornell Univ., Re-							
search Greenhouse .	375,000		375,000		-375,000	- -	
NORTH CAROLINA:							
Biotech. Facility ..	1,450,000		- -		- -	- -	
Ctr. for Nutrition.							
Wake Forest Univ...	1,825,000		3,684,000		-3,684,000	- -	
NORTH DAKOTA:							
Animal Care Fac..							
ND State Univ.....	250,000		- -		- -	- -	
Engineering and Bio-							
mechanics Bldg.. ND							
State Univ.....	(a)		- -		- -	- -	
Food Processing Pilot:							
Plant, ND State Univ:	- -		750,000		-750,000	- -	
Facilities Completion:							
ND State Univ.....	(b)		- -		- -	- -	
Institute for Agric.							
and Rural Health							
Research Dev., Minot:							
State Univ.....	- -		2,179,000		-2,179,000	- -	
Inst/Ag Health							
Science and Rural							
Medicine, Univ. of							
North Dakota	4,381,000		1,864,000		-1,864,000	- -	
Seed Research and							
Regulatory Facility..							
ND State University	500,000		431,000		-431,000	- -	
OHIO:							
Plant Science Re-							
search Facility.							
Univ. of Toledo ...	- -		512,000		-512,000	- -	
Lake Erie Soil &							
Water Research and							
Education Center ..	- -		(a)		- -	- -	
OKLAHOMA:							
National Ctr. for							
Bovine/Equine Bio-							
tech. Oklahoma State:							
Univ.....	225,000		- -		- -	- -	
Beef Cattle Research							
Facility	- -		(a)		- -	- -	
OREGON:							
Seafood Center.							
Oregon State Univ..	217,000		1,824,000		-1,824,000	- -	
Regional Food In-							
novation Ctr..							
Oregon State Univ..	(a)		- -		- -	- -	
PENNSYLVANIA:							
Center for Food							
Marketing, St.							
Joseph's University	- -		5,046,000		-5,046,000	- -	
RHODE ISLAND:							
Bldg. Consolidation,							
Univ. of RI	500,000		431,000		-431,000	- -	

Project	1992 Actual		1993 Estimated		Increase or Decrease	1994 Estimated	
	Amount	Staff: Years	Amount	Staff: Years		Amount	Staff: Years
SOUTH DAKOTA:							
No. Plains Biostress							
Lab., SD State Univ.	\$1,515,000		\$875,000		-\$875,000	- -	
TENNESSEE:							
Nursery Crop Research							
Station, Tennessee							
State University ..	426,000		367,000		-367,000	- -	
Ag., Biological and							
Envir. Research							
Complex, Univ. of							
Tennessee, Knoxville	925,000		797,000		-797,000	- -	
Horticulture Public							
Service Research &							
Education Center,							
Middle Tennessee							
State University ..	- -		(a)		- -	- -	
TEXAS:							
Inst. of Biosciences							
& Technology, Texas							
A&M Univ. at Houston	3,860,000		603,000		-603,000	- -	
Southern Crop Im-							
provement, Texas A&M	- -		(a)		- -	- -	
UTAH:							
Biotech Lab, Utah							
State University ..	764,000		658,000		-658,000	- -	
VIRGINIA:							
Agric. Biotechnology							
Facility, Virginia							
Polytechnic Inst. &							
State University ..	1,021,000		880,000		-880,000	- -	
WASHINGTON:							
College of Veterinary							
Medicine, Animal							
Disease Biotech Fac.							
WA State Univ.....	2,120,000		2,258,000		-2,258,000	- -	
WISCONSIN:							
Agric. Biotech/							
Genetics Fac., Univ.							
of Wisconsin	7,393,000		2,161,000		-2,161,000	- -	
College of Natural							
Resources, Univ. of							
Wisconsin, Stephens							
Point	(a)		86,000		-86,000	- -	
WYOMING:							
Envir. Simulation							
Fac., Univ. of WY	500,000		431,000		-431,000	- -	
Reports on footnote							
(a) items	150,000		260,000		-260,000	- -	
Carryover Balances ..	5,000		-		-	- -	
Federal Admin. (3%)	(1,891,220)		(2,064,390)		(-2,064,390)	- -	
Total obligations ..	63,029,000	10	69,073,000	- -	-69,073,000	- -	
Unobligated Balances:							
Available, start							
of year	-5,231,000		-16,972,000		+16,972,000	- -	
Available, end							
of year	+16,972,000		- -		- -	- -	
Total appropriation ...	74,770,000	10	52,101,000	10	-52,101,000 (1)	- -	- -

(a) Funds were provided to the Cooperative State Research Service for the purpose of reporting to Congress on the need for this facility. Actual funds are not earmarked for award to the institution.

(b) Funds were rescinded for North Dakota State University Facilities Completion project totaling \$500,000 per P.L. 102-298.

EXPLANATION OF PROGRAM

In the Fiscal Year 1993 Appropriations Act, \$52.1 million was appropriated to CSRS for Buildings and Facilities at designated institutions. These funds are available until expended and CSRS is awarding grants for these facilities to the institutions.

JUSTIFICATION OF DECREASE

- (1) A decrease of \$52,101,000 for Buildings and Facilities (\$52,101,000 available in 1993).

Need for Change. These funds were earmarked for facilities at specific institutions in 1993. Keeping with the Administration's policy of awarding research and construction grants through a competitive, peer-reviewed process, no additional Federal funding is being proposed in 1994.

Cooperative State Research Service
Status of Buildings and Facilities

The status of CSRS-supported buildings and facilities is as follows:

<u>Location and Facility</u>	<u>Year and Purpose</u>	<u>Funds Provided</u>	<u>Description</u>
<u>G. C. Wallace State Community College, Hanceville, AL</u> Wellness Center	1993 Report	(a)	Preliminary estimates received. Study to be conducted by CSRS in second quarter of FY 1993 to determine need for facility.
<u>University of Arizona, Tucson</u> Environmental Stress Laboratory	1991 Report 1992 Planning and Construction 1993 Construction Total	(a) 100,000 <u>1,100,000</u> 1,200,000	Design work underway.
<u>University of Arkansas, Fayetteville</u> Center for Alternative Pest Control Research	1990 Construction 1991 Construction 1992 Construction Total	420,000 811,000 <u>500,000</u> 1,731,000	Design complete. Construction underway.
<u>University of Arkansas, Fayetteville</u> Livestock Research and Activity Complex	1993 Report	(a)	Preliminary estimates received. Study to be conducted by CSRS in second quarter of FY 1993 to determine need for facility.
<u>University of Arkansas, Fayetteville</u> Poultry Center for Excellence	1990 Report 1991 Planning and Construction 1992 Construction 1993 Construction Total	(a) 3,750,000 3,050,000 <u>3,189,000</u> 9,989,000	Construction underway.

<u>Location and Facility</u>	<u>Year and Purpose</u>	<u>Funds Provided</u>	<u>Description</u>
<u>University of Arkansas, Fayetteville</u> Poultry Laboratory and Isolation Facility	1988 Construction 1989 Construction 1990 Construction 1991 Construction 1992 Construction Total	375,000 200,000 247,000 337,000 250,000 1,409,000	Construction nearing completion.
<u>University of California, Davis/Riverside</u> Alternative Pest Control Containment and Quarantine Facility	1991 Report 1992 Planning and Construction 1993 Construction Total	(a) 207,000 (b) 178,000 385,000	Planning begun in fourth quarter of FY 1991 and is continuing.
<u>University of California, Davis</u> Grape Importation and Clean Stock Facility	1990 Planning 1991 Planning and Construction 1992 Construction 1993 Construction Total	128,000 897,000 1,609,000 (b) 582,000 3,216,000	Phase I completed. Phase II architectural work completed and construction underway. Planning underway for Phase III.
<u>Colorado State University, Fort Collins</u> Animal Reproduction and Biotechnology Facility	1993 Report	(a)	Preliminary estimates received. Study to be conducted by CSRS in second quarter of FY 1993 to determine necessity of facility.
<u>University of Delaware, Newark</u> Poultry Biocontainment Laboratory	1993 Report	(a)	Preliminary estimates received. Study to be conducted by CSRS in second quarter of FY 1993 to determine necessity of facility.

<u>Location and Facility</u>	<u>Year and Purpose</u>	<u>Funds Provided</u>	<u>Description</u>
<u>University of Florida, Alachua</u> Agricultural Biotechnology Institute	1988 Feasibility Study 1989 Planning and Construction 1990 Construction 1991 Construction 1992 Construction 1993 Construction Total	50,000 600,000 1,530,000 2,690,000 840,000 276,000 5,986,000	Design Complete. Construction underway.
<u>Georgia Southern University, Statesboro</u> Center for Rural Health and Epidemiology	1993 Report	(a)	Preliminary estimates received. Study to be conducted by CSRS in second quarter of FY 1993 to determine necessity of facility.
<u>Savannah State College, Savannah, GA</u> Center for Advanced Water Technology and Energy Systems	1991 Report 1992 Planning and Construction 1993 Construction Total	(a) 136,000 376,000 512,000	Architectural work underway.
<u>University of Georgia, Athens</u> Biocontainment Facility	1988 Feasibility Study 1989 Construction 1990 Construction 1991 Construction 1992 Construction Total	50,000 467,000 985,000 1,992,000 425,000 3,919,000	Design complete. Construction contract cannot be awarded until all funds are in hand.
<u>University of Georgia, Athens</u> Comprehensive Agricultural Livestock and Poultry Facility	1992 Report	(a)	Study conducted by CSRS in FY 1992 and report submitted to Congress.

<u>Location and Facility</u>	<u>Year and Purpose</u>	<u>Funds Provided</u>	<u>Description</u>
<u>University of Georgia, Tifton</u> Environmentally Sound Production Agriculture Laboratory	1990 Report	(a)	Architectural firm to be hired in second quarter of FY 1993.
	1991 Planning and Construction	300,000	
	1992 Construction	1,775,000	
	1993 Construction	1,293,000	
	Total	3,368,000	
<u>University of Georgia, Tifton</u> Vidalia Onion Storage Research Facility	1991 Report	(a)	Design work underway.
	1992 Planning and Construction	225,000	
	1993 Construction	194,000	
	Total	419,000	
<u>University of Hawaii, Manoa</u> Center for Tropical and Subtropical Agriculture	1989 Feasibility Study	50,000	Design completed in third quarter of FY 1992. Construction underway.
	1990 Planning	1,121,000	
	1991 Construction	5,675,000	
	1992 Construction	3,842,000	
	1993 Construction	3,311,000	
	Total	13,999,000	
<u>University of Idaho, Moscow</u> Agricultural Biotechnology Facility	1990 Report	(a)	Design scheduled for completion in third quarter of FY 1993.
	1991 Planning and Construction	590,000	
	1992 Construction	500,000 (b)	
	1993 Construction	431,000	
	Total	1,521,000	
<u>Northwestern University, Evanston, IL</u> Biotechnology Center	1991 Report	(a)	Phase II of construction scheduled for completion in FY 1994. Facility partially occupied.
	1992 Construction	600,000	
	1993 Construction	517,000	
	Total	1,117,000	

<u>Location and Facility</u>	<u>Year and Purpose</u>	<u>Funds Provided</u>	<u>Description</u>
<u>University of Illinois, Urbana</u> <u>National Soybean Laboratory</u>	1989 Planning	250,000	Design complete. Phase I construction underway.
	1990 Planning and Construction	1,306,000	
	1991 Construction	1,617,000	
	1992 Construction	1,987,000	
	Total	5,160,000	
<u>Indiana University, Bloomington</u> <u>Molecular and Cellular Biotechnology Facility</u>	1990 Report	(a)	Design completed. Construction will begin in first quarter of FY 1993.
	1991 Planning and Construction	1,500,000	
	1992 Construction	2,750,000	
	1993 Construction	2,155,000	
	Total	6,405,000	
<u>Iowa, Des Moines</u> <u>Trade Marketing Center</u>	1993 Report	(a)	Study to be conducted by CSRS in second quarter of FY 1993 to determine necessity of facility.
<u>Kansas State University, Manhattan</u> <u>Plant Science Center</u>	1987 Feasibility Study	50,000 (c)	Construction underway.
	1989 Construction	1,350,000	
	1990 Construction	2,962,000	
	1991 Construction	3,731,000	
	1992 Construction	1,570,000	
	1993 Construction	1,353,000	
	Total	11,016,000	
<u>Northwestern State University, Natchitoches, LA</u> <u>Food Processing Facility</u>	1993 Report	(a)	Preliminary estimates received. Study to be conducted by CSRS in second quarter of FY 1993 to determine necessity of facility.

<u>Location and Facility</u>	<u>Year and Purpose</u>	<u>Funds Provided</u>	<u>Description</u>
<u>Northwestern State University, Natchitoches, LA</u> Red Meat Processing Facility	1993 Report	(a)	Preliminary estimates received. Study to be conducted by CSRS in second quarter of FY 1993 to determine necessity of facility.
<u>University of Maine, Orono</u> Wood Processing Facilities	1993 Report	(a)	Preliminary estimates received. Study to be conducted by CSRS in second quarter of FY 1993 to determine necessity of facility.
<u>University of Maine, Presque Isle</u> Building Consolidation	1990 Report 1991 Planning and Construction 1993 Construction Total	(a) 150,000 776,000 926,000	Design complete.
<u>University of Maryland, College Park</u> Institute for Natural Products and Environmental Science	1991 Report 1992 Planning and Construction 1993 Construction Total	(a) 1,000,000 862,000 1,862,000	Architect to be selected in FY 1993.
<u>Tufts University, Boston, MA</u> Center for Hunger, Poverty, Nutrition, and Policy	1991 Report 1992 Planning and Construction 1993 Construction Total	(a) 562,000 (b) 484,000 1,046,000	Under municipal review. Design work to begin in first quarter of FY 1993
<u>Michigan State Univ., East Lansing</u> Food Toxicology Center	1989 Planning 1990 Planning and Construction 1991 Construction 1992 Construction 1993 Construction Total	1,250,000 2,962,000 5,076,000 10,394,000 (b) 4,616,000 24,298,000	Design completed. Construction of final facilities to begin when all funds are in hand.

<u>Location and Facility</u>	<u>Year and Purpose</u>	<u>Funds Provided</u>	<u>Description</u>
<u>University of Mississippi, Oxford</u> Biological Technology Center for Water and Wetlands Resources	1992 Planning and Construction 1993 Construction Total	100,000 (b) 86,000 186,000	Preliminary planning underway.
<u>Lincoln University, Jefferson City, MO</u> Bennett Land-Grant Living and Learning Center	1991 Report 1992 Planning and Construction	(a) 145,000	Design work underway. Construction will not begin until all funds are available.
<u>University of Missouri, Columbia</u> Biosciences Research Center	1993 Report	(a)	Preliminary estimates received. Study to be conducted by CSRS in second quarter of FY 1993 to determine necessity of facility.
<u>University of Missouri, Columbia</u> Meat Science and Safety Center	1993 Report	(a)	Preliminary estimates received. Study to be conducted by CSRS in second quarter of FY 1993 to determine necessity of facility.
<u>Montana State University, Bozeman</u> Bioscience Research Laboratory	1989 Feasibility Study 1990 Planning 1991 Construction 1992 Construction 1993 Construction Total	50,000 247,000 1,250,000 1,062,000 915,000 3,524,000	Design work scheduled for completion in the second quarter of FY 1993. Groundbreaking scheduled for third quarter of FY 1993.
<u>University of Nebraska, Lincoln</u> National Centers for Advanced Technology	1989 Planning 1990 Planning and Construction 1991 Construction 1992 Construction Total	250,000 2,962,000 4,500,000 4,500,000 12,212,000	Design work completed in 1992. Construction underway.

<u>Location and Facility</u>	<u>Year and Purpose</u>	<u>Funds Provided</u>	<u>Description</u>
<u>University of Nevada, Reno</u> Biochemistry and Biology Field Research Station	1992 Planning and Construction 1993 Construction Total	250,000 <u>215,000</u> 465,000	Preliminary planning is underway.
<u>Rutgers University, New Brunswick, NJ</u> Center for Molecular Biology	1988 Feasibility Study 1989 Planning 1990 Planning 1991 Construction 1992 Construction 1993 Construction Total	50,000 250,000 89,000 2,544,000 3,044,000 <u>2,623,000</u> 8,600,000	Design complete. Construction underway.
<u>New Mexico State University, Las Cruces</u> Center for Arid Land Studies	1993 Report	(a)	Preliminary estimates received. Study to be conducted by CSRS in second quarter of FY 1993 to determine necessity of facility.
<u>New York Botanical Garden, Bronx</u> Library/Herbarium	1991 Report 1992 Planning and Construction 1993 Construction Total	(a) 1,350,000 <u>3,697,000</u> 5,047,000	Preliminary planning is underway. Design work will begin in late 1992.
<u>Cornell University, Ithaca</u> Research Greenhouse	1992 Planning and Construction 1993 Construction Total	375,000 <u>375,000</u> 750,000	Construction scheduled for completion in second quarter of FY 1993.
<u>North Carolina Biotechnology Center,</u> Research Triangle Park Biotechnology Facility	1990 Report 1991 Planning and Construction 1992 Construction Total	(a) 750,000 <u>1,450,000</u> 2,200,000	Construction completed.

<u>Location and Facility</u>	<u>Year and Purpose</u>	<u>Funds Provided</u>	<u>Description</u>
<u>Wake Forest Univ., Winston-Salem, NC</u> Center for Research on Human Nutrition and Chronic Disease Prevention	1990 Planning and Construction 1992 Construction 1993 Construction Total	2,853,000 (d) 1,825,000 3,684,000 8,362,000	Construction is underway.
<u>Minot State University, Minot, ND</u> Institute for Agricultural and Rural Human Resource Development	1992 Planning and Construction 1993 Construction Total	240,000 (b) 1,939,000 2,179,000	
<u>North Dakota State Univ., Fargo</u> Animal Care Facility	1991 Report 1992 Planning and Construction	(a) 250,000	Project delayed due to insufficient funding.
<u>North Dakota State Univ., Fargo</u> Seed Research and Regulatory Facility	1991 Report 1992 Planning and Construction 1993 Construction Total	(a) 500,000 431,000 931,000	Construction underway.
<u>North Dakota State Univ., Fargo</u> Engineering and Biomechanics Building	1992 Report	(a)	CSRS site-visit performed in FY 1992 and study results reported to Congress.
<u>North Dakota State Univ., Fargo</u> Food Processing Pilot Plant	1992 Planning and Construction 1993 Construction Total	375,000 (b) 375,000 750,000	Preliminary planning underway. Architect will not be appointed until after CSRS site-visit in FY 1993.
<u>North Dakota State Univ., Fargo</u> Facilities Completion	1992 Rescinded by Congress	(e)	

<u>Location and Facility</u>	<u>Year and Purpose</u>	<u>Funds Provided</u>	<u>Description</u>
<u>Univ. of North Dakota, Grand Forks</u> <u>Institute for Agriculture and Health</u> <u>Science and Rural Medicine</u>	1991 Planning and Construction 1992 Construction 1993 Construction Total	2,892,000 4,381,000 <u>1,864,000</u> 9,137,000	Construction underway.
<u>University of Toledo, Toledo, OH</u> <u>Lake Erie Soil and Water Research</u> <u>and Education Center</u>	1993 Report	(a)	Preliminary estimates received. Study to be conducted by CSRS in second quarter of FY 1993 to determine necessity of facility.
<u>University of Toledo, Toledo, OH</u> <u>Plant Science Research Facility</u>	1992 Planning and Construction 1993 Construction Total	275,000 (b) <u>237,000</u> 512,000	Design underway.
<u>Oklahoma State Univ., Stillwater</u> <u>Beef Cattle Research Facility</u>	1993 Report	(a)	Preliminary estimates received. Study to be conducted by CSRS in second quarter of FY 1993 to determine necessity of facility.
<u>Oklahoma State Univ., Stillwater</u> <u>National Center for Equine and</u> <u>Bovine Biotechnology Research</u>	1988 Feasibility Study 1990 Planning 1992 Construction Total	50,000 296,000 <u>225,000</u> 571,000	Construction to begin in second quarter of FY 1993.
<u>Oregon State University, Astoria</u> <u>Seafood Center</u>	1991 Report 1992 Planning and Construction 1993 Construction Total	(a) 217,000 (b) <u>1,824,000</u> 2,041,000	Design work underway.
<u>Oregon State University, Portland</u> <u>Regional Food Innovation Center</u>	1992 Report	(a)	Design work is scheduled to begin in Fall 1992.

<u>Location and Facility</u>	<u>Year and Purpose</u>	<u>Funds Provided</u>	<u>Description</u>
<u>St. Joseph's University, Philadelphia, PA</u> Center for Food Marketing	1991 Planning 1992 Construction 1993 Construction	600,000 2,710,000 (b) 2,336,000 <u>5,646,000</u>	Design work is underway. Construction scheduled to begin in mid-1993.
<u>University of Rhode Island, Kingston</u> Building Consolidation	1990 Report 1991 Planning and Construction 1992 Construction 1993 Construction Total	(a) 1,904,000 500,000 431,000 <u>2,835,000</u>	Design work nearly complete. Groundbreaking scheduled for first quarter of FY 1993.
<u>South Dakota State University, Brookings</u> Northern Plains Biostress Laboratory	1989 Feasibility Study & 1990 Planning 1991 Construction 1992 Construction 1993 Construction Construction Total	100,000 1,679,000 1,970,000 1,515,000 <u>875,000</u> 6,139,000	Construction underway. Scheduled for completion in 1993.
<u>Middle Tennessee State University,</u> <u>Murfreesboro</u> Horticulture Public Service Research and Education Center	1993 Report	(a)	Preliminary estimates received. Study to be conducted by CSRS in second quarter of FY 1993 to determine necessity of facility.
<u>Tennessee State University, McMinnville</u> Nursery Crop Research Station	1990 Planning and Construction 1991 Construction 1992 Construction 1993 Construction Total	247,000 248,000 426,000 <u>367,000</u> 1,288,000	Design work is underway. Construction scheduled to begin in third quarter of FY 1993.

<u>Location and Facility</u>	<u>Year and Purpose</u>	<u>Funds Provided</u>	<u>Description</u>
<u>University of Tennessee, Knoxville</u> <u>Agricultural, Biological and</u> <u>Environmental Research Complex</u>	1992 Planning and Construction	925,000	Design work underway.
	1993 Construction	797,000	
	Total	1,722,000	
<u>Texas A&M University, College Station</u> <u>Center for Southern Crop Improvement</u>	1993 Report	(a)	Preliminary estimates received. Study to be conducted by CSRS in second quarter of FY 1993 to determine necessity of facility.
<u>Texas A&M University, Houston</u> <u>Institute of Biosciences and Technology</u>	1988 Feasibility Study	50,000	Construction complete.
	1989 Construction	1,250,000	
	1990 Construction	2,962,000	
	1991 Construction	3,747,000 (f)	
	1992 Construction	3,860,000	
	1993 Construction	603,000	
	Total	12,472,000	
<u>Utah State University, Logan</u> <u>Biotechnology Laboratory</u>	1990 Report	(a)	Construction underway. Completion scheduled for 1993.
	1991 Planning and Construction	280,000	
	1992 Construction	764,000	
	1993 Construction	658,000	
	Total	1,702,000	
<u>Virginia Polytechnic Institute and</u> <u>State University, Blacksburg</u> <u>Agricultural Biotechnology Center</u>	1988 Feasibility Study	50,000	Design work underway. Construction to begin in third quarter of FY 1993.
	1989 Planning	100,000	
	1990 Planning	112,000	
	1991 Construction	918,000	
	1992 Construction	1,021,000	
	1993 Construction	880,000	
	Total	3,081,000	

<u>Location and Facility</u>	<u>Year and Purpose</u>	<u>Funds Provided</u>	<u>Description</u>
<u>Washington State University, Pullman</u> Animal Disease Biotechnology Facility	1990 Report 1991 Planning and Construction 1992 Construction 1993 Construction Total	(a) 1,210,000 2,120,000 <u>2,258,000</u> 5,588,000	Design work underway. Groundbreaking scheduled for fourth quarter of FY 1993.
<u>University of Wisconsin, Madison</u> Agricultural Biotechnology and Genetics Building	1989 Feasibility Study 1990 Planning 1991 Construction 1992 Construction 1993 Construction Total	50,000 592,000 2,600,000 7,393,000 <u>2,161,000</u> 12,796,000	Contract document phase underway. Construction scheduled to begin in May 1993.
<u>University of Wisconsin—Stephens Point</u> Natural Resources Building	1992 Report 1993 Planning	(a) 86,000	Design work underway.
<u>University of Wyoming, Laramie</u> Environmental Simulation Facility	1991 Report 1992 Planning and Construction 1993 Construction Total	(a) 500,000 <u>431,000</u> 931,000	Architect appointed in third quarter of FY 1992.
Reports (a)	1990 1991 1992 1993 Total	296,000 300,000 150,000 <u>260,000</u> 1,006,000	

Footnotes:

- (a) Funds are provided to the Cooperative State Research Service for the purpose of reporting to Congress on the need for this facility. Actual funds are not earmarked for award to the institution.
- (b) Funds carried over to Fiscal Year 1993.
- (c) Fiscal Year 1987 funds carried over to Fiscal Year 1989 and awarded with construction funds appropriated in Fiscal Year 1989.
- (d) Funds carried over and awarded in Fiscal Year 1991.
- (e) Rescinded by Congress. Funds not awarded.
- (f) Includes \$950,000 appropriated in Fiscal Year 1989 and earmarked for the University of Texas Southwestern in Dallas. Funds redirected to Texas A&M University in Fiscal Year 1991.

MEMORANDUM

TO : THE SECRETARY OF DEFENSE

FROM : THE SECRETARY OF THE ARMY

SUBJECT: [Illegible]

1. [Illegible]

2. [Illegible]

3. [Illegible]

4. [Illegible]

5. [Illegible]

6. [Illegible]

7. [Illegible]

8. [Illegible]

9. [Illegible]

10. [Illegible]

11. [Illegible]

12. [Illegible]

EXTENSION SERVICE

Purpose Statement

The Cooperative Extension System, a national educational network, is a dynamic organization pledged to meeting the country's needs for research, knowledge and educational programs that will enable people to make practical decisions. Its mission is to help people improve their lives through an educational process that uses scientific knowledge focused on issues and needs. Cooperative Extension work was established by the Smith-Lever Act of May 8, 1914, as amended. This work is further emphasized in Title XIV (National Agricultural Research, Extension, and Teaching Policy) of the Food and Agriculture Act of 1977, as amended.

To accomplish its mission, the Cooperative Extension System is constantly changing to meet the shifting needs and priorities of the people it serves. As peoples' needs and priorities change, program priorities, organizational structures, and external relationships must also change. To fulfill the requirements of the Smith-Lever Act, the Cooperative Extension Service in each state, the District of Columbia, Puerto Rico, the Virgin Islands, Guam, American Samoa, the Northern Marianas and Micronesia, conduct educational programs to improve American agriculture and strengthen the Nation's families and communities.

This public funded, nonformal educational network combines the expertise and resources of Federal, state and local governments. The partners in this unique System are:

- o The Extension Service of the U.S. Department of Agriculture (USDA);
- o Extension professionals at land-grant universities throughout the United States and its territories; and
- o Extension professionals in nearly all of the Nation's 3,150 counties.

Thousands of paraprofessionals and nearly 3 million volunteers support this partnership and magnify its impact. Strong linkages with both public and private external groups are also crucial to the Extension System's strength and vitality.

The Extension Service, USDA, provides national leadership and represents the U.S. Department of Agriculture within the Cooperative Extension System, comprised of some 31,000 state and local Extension System employees and 2.9 million program service volunteers. As of September 30, 1992, there were 192 full-time permanent employees and 19 other than full-time permanent Extension Service-USDA employees, all located in the D.C. metropolitan area.

EXTENSION SERVICE

Available Funds and Staff-Years1992 Actual and Estimated, 1993 and 1994

Item	1992 Actual		1993 Estimated		1994 Estimated	
	Amount	Staff-Years	Amount	Staff-Years	Amount	Staff-Years
Extension Service.....	\$419,325,000	200	\$424,928,000	180	\$431,264,000	180
<u>Obligations under Other USDA</u>						
<u>Appropriations:</u>						
Agricultural Marketing Service - Pesticide Educational Materials.....	93,279		200,000		200,000	
Agricultural Stabilization and Conservation Service -						
Colorado River Salinity.....	630,000		650,000		650,000	
Rural Clean Water Project.....	296,967		250,000		250,000	
Agricultural Research Service -						
Food Safety.....	40,000		49,000		49,000	
Support Services.....	6,800		20,000		20,000	
Adopting Model Programs.....	40,000		--		--	
Alternative Agriculture Research and Commercialization -						
Administrative Support.....	22,600		30,000		30,000	
Cooperative State Research Service - PLANETOR--Microcomputers.....	100,000		100,000		100,000	
Internet Connection.....	40,000		50,000		50,000	
Sustainable Agric. Research and Education.....	50,000		70,000		70,000	
Support Services.....	32,500		--		--	
Federal Crop Insurance Corporation -						
Educational Activities.....	270,642		350,000		350,000	
National Agricultural Library -						
Networking Activities.....	5,000		--		--	
Office of International Cooperation and Development -						
Collaboration with the Neatherlands..	7,500		--		--	
Rural Development Administration- President's Rural Devel. Initiative.....	1,224,600		--		--	
Soil Conservation Service -						
Farm Assessment System.....	45,000		60,000		60,000	
Water Quality Measures.....	45,000		65,000		65,000	
Technology Transfer Project.....	6,800		--		--	
Total, Other USDA Appropriations	2,956,688	--	1,894,000	--	1,894,000	--
Total, Agriculture Appropriations	422,281,688	200	426,822,000	180	433,158,000	180
<u>Other Federal Funds:</u>						
Reimbursements:						
AID-PASA International Extension.....	5,036,533		11,000,000		11,000,000	
Department of Commerce -						
Biobased Products Exposition.....	10,000		--		--	
Department of Interior -						
Fish & Wildlife Recognition Program	6,116		10,000		10,000	
Environmental Protection Agency -						
Air Pesticides and Toxics.....	28,160		40,000		40,000	

Item	1992 Actual		1993 Estimated		1994 Estimated	
	Amount	Staff- Years	Amount	Staff- Years	Amount	Staff- Years
Water Quality.....	38,500		50,000		50,000	
Indoor Air Quality.....	27,088		--		--	
Pesticide Applicator Training.....	1,680,000		2,740,000		2,740,000	
Farmstead Assessment System.....	75,000		90,000		90,000	
Pesticide Safety Material.....	48,000		75,000		75,000	
Nat'l Institute of Standards and Technology -						
Technology Manufacture.....	50,000		--		--	
Endangered Species Educational Materials.....	13,000		--		--	
Pesticide Public Policy Foundation -						
National Road Site Training.....	40,000		55,000		55,000	
Department of Defense -						
Family Life Enrichment.....	1,413,876		1,816,000		1,816,000	
Total, Other Federal Funds	8,466,273		15,876,000		15,876,000	
Non-Federal Funds:						
Federal Assistance Program Retrieval..	1,000		--		--	
Federal Building Funds.....	69,989		100,000		100,000	
Federal Telecommunication System.....	2,642		10,000		10,000	
Cost Share Printing.....	25,000		80,000		80,000	
Computerized Information Delivery System.....	--		40,000		40,000	
Total, Non-Federal Funds	98,631		230,000		230,000	--
Total, Extension Service						
	430,846,592	200	442,928,000	180	449,264,000	180

EXTENSION SERVICE

Permanent Positions by Grade and Staff Summary
1992 and Estimated 1993 and 1994

GRADE	1992	1993 Est.	1994 Est.
ES-6	1	1	1
ES-5	1	1	1
ES-4	4	4	4
ES-3	2	2	2
GS/GM-15	33	33	33
GS/GM-14	37	37	37
GS/GM-13	10	10	10
GS-12	11	11	11
GS-11	10	10	10
GS-10	1	1	1
GS-09	9	9	9
GS-08	7	7	7
GS-07	13	13	13
GS-06	24	24	24
GS-05	12	12	12
GS-04	15	15	15
GS-03	3	3	3
Other Graded Positions	0	0	0
Ungraded Positions	0	0	0
Total, Permanent positions	193	193	193
Unfilled positions End of Year	0	0	0
Total Permanent Employment End of Year	193	193	193
Staff Years: Ceiling	200	180	180

EXTENSION SERVICE

CLASSIFICATION BY OBJECTS1992 And Estimated 1993 and 1994

Personnel Compensation:	<u>1992</u>	<u>1993</u>	<u>1994</u>
Headquarters.....	\$10,278,520	\$10,658,000	\$10,817,000
Field.....	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
11 Total Personnel Compensation.....	10,278,520	10,658,000	10,817,000
12 Personnel Benefits.....	<u>1,788,942</u>	<u>1,855,000</u>	<u>1,883,000</u>
Total Pers. Comp. & Benefits.....	12,067,462	12,513,000	12,700,000
Other Objects:			
21 Travel.....	791,841	820,000	832,000
22 Transportation of things.....	33,924	35,000	35,000
23.2 Communications, utilities & other rent.....	822,580	852,000	865,000
24 Printing & reproduction.....	422,613	437,000	444,000
25 Other services.....	1,881,520	1,948,000	1,977,000
26 Supplies & materials.....	400,484	413,000	419,000
31 Equipment.....	503,947	522,000	530,000
41 Grants, subsidies & contributions.	403,880,077	408,097,000	413,462,000
Total other objects.....	<u>408,736,986</u>	<u>413,124,000</u>	<u>418,564,000</u>
Total direct obligations.....	<u>420,804,448</u>	<u>425,637,000</u>	<u>431,264,000</u>
<u>Position Data:</u>			
Average Salary, ES positions.....	\$104,957	\$108,657	\$110,000
Salary, GM/GS positions.....	\$ 48,440	\$ 50,232	\$ 51,000
Average Grade, GM/GS positions.....	9.99	9.99	9.99

EXTENSION SERVICE

The estimates include appropriation language for this item as follows (new language underscored; deleted matter enclosed in brackets):

- Payments to States, Puerto Rico, Guam, the Virgin Islands, Micronesia, Northern Marianas, and American Samoa: For payments for cooperative agricultural extension work under the Smith-Lever Act, as amended, to be distributed under sections 3(b) and 3(c) of said Act, for retirement and employees' compensation costs for extension agents and for costs of penalty mail for cooperative extension agents and State extension directors, [~~\$262,712,000;~~] \$270,000,000; payments for the nutrition and family education program for low-income areas under section 3(d) of the Act, [\$60,525,000; payments for the urban gardening program under section 3(d) of the Act, \$3,557,000;] \$62,201,000; payments for the pest management program under section 3(d) of the Act, [~~\$8,200,000;~~] \$8,565,000; payments for the farm safety and rural health programs under section 3(d) of the Act, [~~\$2,720,000;~~] \$1,000,000; payments for the pesticide impact assessment program under section 3(d) of the Act, \$3,405,000; payments to upgrade 1890 land-grant college [research and extension] facilities as authorized by section 1447 of Public Law [99-198,] 95-113 as amended (7 U.S.C. 3222b), \$8,000,000, to remain available until expended; payments for the rural development centers under section 3(d) of the Act, \$950,000; payments for extension work under section 209(c) of Public Law 93-471, [~~\$1,010,000;~~] \$1,038,000; payments for a groundwater quality program under section 3(d) of the Act, \$11,375,000; [special grants for financially stressed farmers and dislocated farmers as authorized by Public Law 100-219, \$2,550,000;] payments for the Agricultural Telecommunications Program, as authorized by Public Law 101-624, (7 U.S.C. 5926), \$1,221,000; payments for youth-at-risk programs under section 3(d) of the Act, [~~\$10,000,000;~~] \$12,000,000; payments for a Nutrition Education Initiative under section 3(d) of the Act, [~~\$3,530,000;~~] \$7,060,000; payments for a food safety program under section 3(d) of the Act, [~~\$1,500,000;~~] \$2,000,000; payments for carrying out the provisions of the Renewable Resources Extension Act of 1978, [~~\$2,765,000;~~] payments for Indian reservation agents under section 3(d) of the Act, \$1,750,000; payments to establish and operate centers of rural technology developed as authorized by section 2347 of Public Law 101-624 (7 U.S.C. 1932), \$1,000,000; payments for outreach and assistance for socially disadvantaged farmers and ranchers as authorized by section 2501 of Public Law 101-624 (7 U.S.C. 2279), \$1,000,000;] \$2,841,000; payments for sustainable agriculture programs under section 3(d) of the Act, \$3,000,000; payments for a new uses program under section 3(d) of the Act, \$200,000; payments for rural health and safety education as authorized by section 2390 of Public Law 101-624 (7 U.S.C. 2661 note, 2662), \$2,000,000; and payments for extension work by the colleges receiving the benefits of the second Morrill Act (7 U.S.C. 321-326, 328) and Tuskegee University, [~~\$24,730,000;~~] \$27,764,000 in all, [~~\$414,500,000,~~] \$424,620,000, of which not less than \$79,400,000 is for Home Economics: Provided, That funds hereby appropriated pursuant to section 3(c) of the Act of June 26, 1953, and section 506 of the Act of June 23, 1972, as amended, shall not be paid to any State, Puerto Rico, Guam, or the Virgin Islands, Micronesia, Northern Marianas, and American Samoa prior to availability of an equal sum from non-Federal sources for expenditure during the current fiscal year.

Federal administration and coordination: For administration of the Smith-Lever Act, as amended, and the Act of September 29, 1977 (7 U.S.C. 341-349), as amended, and section 1361(c) of the Act of October 3, 1980 (7 U.S.C. 301n.), and to coordinate and provide program leadership for the extension work of the Department and the several States and insular possessions, [\$10,428,000,] \$5,644,000, of which not less than \$2,300,000 is for Home Economics.

The first change in language is for the purpose of deleting funding for Urban Gardening under Section 3(d) of the Act.

The second change provides for grants for 1890 land-grant college facilities under the provision of Section 1447 of P.L. 101-624.

The third change is for the purpose of deleting earmarked funding for Disadvantaged Farmer Assistance Programs, Indian Reservation Agents, Rural Technology Grants, and Socially Disadvantaged Farmers and Ranchers.

The fourth change adds to language providing funding for Sustainable Agriculture and New Uses Programs.

EXTENSION SERVICE

Appropriations Act, 1993.....	\$424,928,000
Budget Request, 1994.....	<u>431,264,000</u>
Increase in Appropriations.....	<u>+6,336,000</u>

SUMMARY OF INCREASES AND DECREASES

(On basis of appropriation)

<u>Item of Change</u>	<u>1993 Estimated</u>	<u>Pay Costs</u>	<u>Other Changes</u>	<u>1994 Estimated</u>
<u>Base Programs:</u>				
Smith-Lever 3b&c.....	\$262,712,000	--	+\$7,288,000	\$270,000,000
1890 Colleges and Tuskegee University.....	24,730,000	--	+3,034,000	27,764,000
D.C. Extension.....	1,010,000	--	+28,000	1,038,000
<u>Earmarked Programs and National Initiatives:</u>				
EFNEP.....	60,525,000	--	+1,676,000	62,201,000
Pest Management.....	8,200,000	--	+365,000	8,565,000
Pesticide Impact Assessment.....	3,405,000	--	-0-	3,405,000
Urban Gardening.....	3,557,000	--	-3,557,000	-0-
Farm Safety.....	2,720,000	--	-1,720,000	1,000,000
Rural Development Centers.....	950,000	--	-0-	950,000
Water Quality.....	11,375,000	--	-0-	11,375,000
Youth at Risk.....	10,000,000	--	+2,000,000	12,000,000
Food Safety.....	1,500,000	--	+500,000	2,000,000
Indian Reservations.....	1,750,000	--	1,750,000	-0-
Nutrition Education Initiative.....	3,530,000	--	+3,530,000	7,060,000
Sustainable Agriculture.....	--	--	+3,000,000	3,000,000
New Uses.....	--	--	+200,000	200,000
<u>Renewable Resources</u>				
Extension Act.....	2,765,000	--	+76,000	2,841,000
Agricultural Telecommunications..	1,221,000	--	-0-	1,221,000
Disadv. Farmers Ass't Grants.....	2,550,000	--	-2,550,000	-0-
Rural Technology Grants.....	1,000,000	--	-1,000,000	-0-
Soc. Disadv. Farmers/Ranchers.	1,000,000	--	-1,000,000	-0-
Rural Health/Safety.....	2,000,000	--	-0-	2,000,000
<u>Program Support:</u>				
1890 Facilities (Sec. 1447).....	8,000,000	--	-0-	8,000,000
<u>Federal Administration and Coordination.....</u>	<u>10,428,000</u>	<u>+73,000</u>	<u>-3,857,000</u>	<u>5,644,000</u>
Total, Available.....	<u>424,928,000</u>	<u>+73,000</u>	<u>+5,236,000</u>	<u>430,264,000</u>

PROJECT STATEMENT
(On basis of available funds)

Project	1992 Actual		1993 Estimated		Increase or Decrease	1994 Estimated	
	Amount	Staff Years	Amount	Staff Years		Amount	Staff Years
Payments to States:							
Smith-Lever Act							
1. Sections 3b&c:							
Program.....	\$256,044,520	--	\$256,044,520	--	+6,995,960	263,040,480	-0-
Set-aside for Federal Administration (4%).....	6,667,480	--	6,667,480	--	+292,040	6,959,520	-0-
Subtotal, Sections 3b&c.....	262,712,000	--	262,712,000	--	¹ +7,288,000	270,000,000	-0-
2. Section 3d Program:							
EFNEP.....	60,525,000	--	60,525,000	--	+1,676,000	62,201,000	-0-
Pest Management.....	8,200,000	--	8,200,000	--	+365,000	8,565,000	-0-
Pesticide Impact Assessment..	3,405,000	--	3,405,000	--	-0-	3,405,000	-0-
Urban Gardening.....	3,557,000	--	3,557,000	--	-3,557,000	-0-	-0-
Rural Health/Farm Safety.....	2,470,000	--	2,720,000	--	-1,720,000	1,000,000	-0-
Rural Development Centers.....	950,000	--	950,000	--	-0-	950,000	-0-
Water Quality.....	11,375,000	--	11,375,000	--	-0-	11,375,000	-0-
Youth and Families at Risk.....	10,000,000	--	10,000,000	--	+2,000,000	12,000,000	-0-
Food Safety.....	1,500,000	--	1,500,000	--	+500,000	2,000,000	-0-
Indian Reservations.....	1,500,000	--	1,750,000	--	-1,750,000	-0-	-0-
Nutrition Education Initiative.....	--	--	3,530,000	--	+3,530,000	7,060,000	-0-
Sustainable Agriculture.....	--	--	--	--	+3,000,000	3,000,000	-0-
New Uses.....	--	--	--	--	+200	200	-0-
Subtotal, Section 3d.....	103,482,000	--	107,512,000	--	² +4,244,000	111,756,000	-0-
Total, payments under the Smith-Lever Act.....	366,194,000	173	370,224,000	153	+11,532,000	381,756,000	153
Payments under Renewable Resources Extension Act.....	2,765,000	--	2,765,000	--	³ +76,000	2,841,000	-0-
Payments to the District of Columbia:							
Program.....	969,600	1	969,600	1	+26,900	996,500	1
Set-aside for Federal Administration (4%).....	40,400	--	40,400	--	+1,100	41,500	-0-
Total, payments to the District of Columbia.....	1,010,000	1	1,010,000	1	⁴ +28,000	1,038,000	1
Payments to 1890 Colleges and Tuskegee University:							
Program.....	23,740,800	1	23,740,800	1	+2,912,640	26,653,440	1
Set-aside for Federal Administration (4%).....	989,200	--	989,200	--	+121,360	1,110,560	-0-
Total, payments to 1890 Colleges and Tuskegee University.....	24,730,000	1	24,730,000	1	⁵ +3,034,000	27,764,000	1

Project	1992 Actual		1993 Estimated		Increase or Decrease	1994 Estimated	
	Amount	Staff Years	Amount	Staff Years		Amount	Staff Years
Ag. Telecommunications.....	1,221,000	--	1,221,000	--	-0-	1,221,000	-0-
Payments for Disadvantaged Farmers Assistance.....	2,550,000	--	2,550,000	--	⁶ -2,550,000	-0-	-0-
1890's Facilities.....	10,987,532	--	708,938	--	-0-	-0-	-0-
Rural Technology.....	--	--	1,000,000	--	⁷ -1,000,000	-0-	-0-
Soc. Disadv. Farmers/Ranchers.....	--	--	1,000,000	--	⁸ -1,000,000	-0-	-0-
Rural Health/Safety.....	--	--	2,000,000	--	-0-	2,000,000	-0-
1890 Facilities (Sec. 1447).....	--	--	8,000,000	--	-0-	8,000,000	-0-
Federal Administration and Coordination (Direct Appropriation).....	11,346,916	25	10,428,000	25	⁹ -4,784,000	5,644,000	25
Program Set-Aside (non-add).....	(3,055,910)	--	(3,345,590)	--	-0-	(4,986,750)	--
Total Available.....	420,804,448	--	425,636,938	--	-0-	-0-	-0-
Unobligated Balance, Start of Year	-2,188,386	--	-708,938	--	-0-	-0-	-0-
Unobligated Balance, End of Year..	708,938	--	-0-	--	-0-	-0-	-0-
Total Appropriation.....	419,325,000	200	424,928,000	180	+5,336,000	430,264,000	180
Investment Proposal.....	--	--	--	--	+1,000,000	1,000,000	--
Total, President's Budget.....	419,325,000	200	424,928,000	180	+6,336,000	431,264,000	180

EXPLANATION OF PROGRAM

The Cooperative Extension System, a national educational network, is a dynamic organization pledged to meeting the country's needs for research-based educational programs that will enable people to make practical decisions to improve their lives. To accomplish its mission, the Cooperative Extension System adjusts programs to meet the shifting needs and priorities of the people it serves.

This nonformal educational network combines the expertise and resources of federal, state, and local governments. The partners in this unique System are: (a) The Extension Service at the U.S. Department of Agriculture, (b) Extension professionals at land-grant universities throughout the United States and its territories; and (c) Extension professionals in nearly all of the Nation's 3,150 counties.

Thousands of paraprofessionals and nearly 3 million volunteers support this partnership and magnify its impact. Strong linkages with both public and private external groups are also crucial to the Extension System's strength and vitality.

Base Programs are the major educational efforts central to the mission of the System and common to most Extension units. They are the ongoing priority efforts of the System, involving many discipline-based and multi-disciplinary programs. The System's base programs are the foundation of the Extension organization.

National initiatives are the System's commitment to respond to important societal problems of broad national concern with additional resources and significantly increased effort to achieve a major impact on national priorities. They are the current most significant and complex issues on which the Extension System has the potential to make a difference--usually in cooperation with other agencies, groups and units of government.

Extension funds are provided to the States through formula grants and competitively awarded programs. Smith-Lever 3b and c funds and payments to the 1890 colleges and Tuskegee University provide funds to support the Extension infrastructure. Funds for designated programs provide support for the System to address identified priority issues.

Initiatives proposed in 1994 include funding for: sustainable agriculture education programs for farm operators in adopting environmentally benign methods that improve economic competitiveness education to encourage the production of new crops including rapeseed and kenaf; enhancement of youth at risk programs; expansion of food safety activities to all States, increased efforts on pest management, further support for historically black land-grant colleges; and increased funding in nutrition education to assist children, adults, and others at nutritional risk.

JUSTIFICATION OF INCREASE/DECREASE

- (1) An increase of \$7,288,000 for programs under section 3(b)&(c) of the Smith-Lever Act (\$262,712,000 available in FY 1993).

Need for Change. The Cooperative Extension System, in cooperation with the Federal partner (ES-USDA) is dependent on base funds to carry out its legislated responsibilities. Federal funds appropriated to support base programs leverage significant state, local, and private sector support. Currently, within the Cooperative Extension System, each \$4 in Federal Smith-Lever funds leverages in excess of \$10 in state and other public or private sector funds.

The Cooperative Extension System reaches almost every county and most cities in the Nation. Through this partnership, USDA has on "retainer" an established network that is able to systematically provide objective information, education, and problem-solving assistance where needed and to obtain feedback on areas where further assistance is required. Programs supported by these funds enable Extension to serve, coordinate, cooperate, and establish coalitions and alliances with other relevant public agencies and private organizations in helping to resolve issues. These joint efforts enhance the Cooperative Extension System's capacity to fulfill its mission and Federal responsibilities helping people improve their lives through an educational process that uses scientific knowledge focused on issues and needs.

Base Programs are the major educational efforts central to the mission of the System and common to most Extension units. These are the ongoing priority efforts of the System, involving many discipline-based and multi-disciplinary programs. The educational Base Programs funded by Smith-Lever formula funds and State matching funds are a set of dynamic, changing, results-oriented programs that receive significant resources throughout the System on the national, state, and local levels. The System's base programs are the foundation of the Extension organization; these include:

- o Agricultural Competitiveness and Profitability
- o Community Resource and Economic Development
- o Family Development and Resource Management
- o 4-H and Youth Development
- o Leadership and Volunteer Development
- o Natural Resources and Environmental Management
- o Nutrition, Diet and Health

Nature of Change. The proposed increase of \$7,288,000 is requested to sustain the foundation for the educational Base Programs throughout the Cooperative Extension System at the level calculated for the Administration's Baseline Estimates.

Funds will be distributed according to the legislatively-established formula, which is based on the farm and rural population within each State, as well as an equal amount to each State.

- (2) An net increase of \$4,244,000 for programs under Section 3(d) of the Smith-Lever Act. (\$107,512,000 available in FY 1993).
- (a) An increase of \$1,676,000 in payments to States for the Expanded Food and Nutrition Education Program (EFNEP) to support Infant and Maternal Nutrition Education under Section 3(d) of the Smith-Lever Act (\$60,525,000 available in FY 1993).

Need for Change. EFNEP targets low-income youth and families with young children and helps them to acquire the knowledge, skills, attitudes and changed behavior necessary to improve their diets. Families are taught a nutrition curriculum which includes the relationship of nutrition to health, how to safely prepare nutritious meals, and the management of food resources such as food stamps. Successful model programs have been developed to meet the specific needs of infants and pregnant women. There is a need to continue these programs in order to provide this critical education to as many eligible recipients as possible. The funding level, adjusted for inflation in FY 1994, will allow for current participation levels to be maintained.

Over the course of the 20-year history of EFNEP, Cooperative Extension has demonstrated positive outcomes and has assisted low-income families in improving the total family diet and their nutritional welfare. These efforts need to continue. Additionally, it is critical to focus the program on the high priority areas that address the concerns of children.

Nature of Change. The requested funding level provides for EFNEP to maintain and conduct its programs at the level calculated for the Administration's Baseline Estimates.

- (b) An increase of \$365,000 for the Integrated Pest Management Program (IPM) under Section 3(d) of the Smith-Lever Act. (\$8,200,000 available in FY 1993).

Need for Change. Extension programs have pioneered the Integrated Pest Management Program to attain sound economic returns to producers and other users. IPM has expanded its scope into horticultural and ornamental areas and developing the models to pattern the crop and animal management systems necessary for agriculture in the future. The Extension System has allocated over \$87 million to IPM efforts since 1973. Additionally, the Federal funds leveraged a 4-to-1 ratio of State, county and private sector investments. Users reported higher prices for their crops than did non users. Yields for those using IPM practices were equal to or higher than for non-users.

Nature of Change. An increase in funding will allow Extension IPM programs to continue address horticultural crops and increase its support of projects that emphasize the use of bio-based technologies. These crops are most visible to the public since they are frequently eaten either fresh or lightly processed. In total, the requested funding level will provide for the IPM program at the level calculated for the Administration's Baseline Estimate.

- (c) A decrease of \$3,557,000 to eliminate Urban Gardening. (\$3,557,000 available in FY 1993).

Need for Change. This program was developed with prior earmarked funds. Funding from the basic formula programs, State and local governments and private sources could be used to continue this program.

Nature of Change. This proposal will eliminate funds for Urban Gardening under Section 3(d) of the Smith-Lever Act.

- (d) A decrease of \$1,720,000 for the Farm Safety and Rural Health program under Section 3(d) of the Smith-Lever Act. (\$2,720,000 available in FY93).

Need for Change. Emergency care and response is an important farm safety and rural health concern. Most rural and farm family members are not sure of procedures to follow if they arrive first on a farm accident scene. Many victims are discovered by family members or farm workers who must be able to act quickly and effectively to save the victim without injuring themselves. There are numerous farm accident situations which emergency medical or rescue personnel may confront with little prior experience or training. Many of these situations can readily become hazardous to the rescuer. Cases have occurred in which emergency personnel have been injured or killed while attempting to carry out a rescue or provide treatment to an injured person on a farm.

Nature of Change. The focus of the Farm Safety program will be shifted to providing funds (\$800,000) for project proposals in targeted farm safety programs, with the objective of limiting exposure to occupational hazards. Potential areas of increased emphasis include programs that effectively reduce the traumatic injury and death rates of farmers and agriculture, such as health and safety education programs regarding exposure to agricultural chemicals, noise, dust, infectious agents, vibrations, etc.

Additionally, funds are requested (\$200,000) for awarding project proposals to train emergency rescue professionals in farm accident extrication procedures and educate nonprofessionals in first-on-the-scene emergency response procedures. These programs are crucial to reducing the risk of injury to the rescuer, reducing the severity of the injury to the accident victim, and reinforcing the value of accident prevention.

- (e) An increase of \$2,000,000 for the Youth and Families at Risk program under Section 3(d) of the Smith-Lever Act. (\$10,000,000 available in FY 1993).

Need for Change. The number of children in poverty increased by more than 3 million during the 1980's. By 1990 over 13 million children-nearly 2 in 5-were poor in America. Particularly affected are those aged prenatal to 5 years. Too young to determine their own destinies, children must rely on the security built by their families and communities. All too often, however, their families fall victim to the overwhelming conditions of today's world.

The Extension System's response to Youth and Families at risk needs to continue providing a strong and positive response to these national

concerns. The Federal presence needs to reach more at risk families and more communities nationwide. The increasing rate of youth participation reflects the success of the program. The current Federal budget targets 96 communities. The positive response of this initiative is providing an opportunity to include other collaborators with the Extension System in fulfilling a commitment to youth and families at risk programming. This is reflective of the need for communities to help themselves through collaboration with the private sector. The National 4-H Council, contributes each year to support Youth At Risk programs and plays an integral role in resource and program development. The DeWitt Wallace-Reader's Digest Fund is providing a grant for staff development and training for Youth At Risk. Grants from other companies, foundations, and private citizens support Youth At Risk programming in numerous local communities across the Nation. Community CARES is a project created as part of a W. K. Kellogg Foundation package over a 3-year period. As a part of Community CARES, seven Centers For Action were created to provide nationwide technical assistance and training for Youth At Risk program sites. The programs and training at these Centers are needed in communities across the nation.

Nature of Change. The Cooperative Extension System is concerned about this critical societal problem. Utilizing a comprehensive program approach, and drawing on the expertise of community-based Extension professionals, Extension would expand its current outreach to children aged prenatal to 5 years and their families through programs that:

- o Create community coalitions and build on successful paraprofessional models that support children.
- o Provide access to comprehensive education.
- o Improve families' skills in nutrition, money management, and parenting.

Additional funding for the Youth and Families At Risk Initiative would strengthen the funded sites, provide for expansion to more targeted communities and enhance the capacity of the organizational base with the goal of extending the outreach to meet the needs of the next generation of Americans.

- (f) An increase of \$500,000 for the Food Safety program under Section 3(d) of the Smith-Lever Act (\$1,500,000 available in FY 1993).

Need for Change. The Cooperative Extension System is well suited to provide educational programs to address food safety and quality issues. It has staff who understand food systems from production to consumption, absolute and relative risks, risk communication techniques and the basis of identifying critical control points to target resources. This knowledge and experience is connected to an extensive delivery system which has established linkages with the critical target audiences and potential collaborators such as state and local governments and private sector organizations.

USDA has increased food safety research and data collection programs in recent years to improve the information available to producers and consumers. Enhanced Extension education programs are needed to transfer this information to a range of audiences. This program is coordinated with the food safety programs of other USDA agencies

Nature of Change. The requested increase will be used for education projects for which address the needs of the different participants within the food industry. The aim is to increase responsible involvement in protecting the safety of the food supply. Funds would be distributed to all States upon review and approval of a specific plan of work related to this issue. Model programs developed over the last 3 years would be replicated as relevant nationwide. Limited project proposals would also be requested to allow for newer, innovative projects.

- (g) A decrease of \$1,750,000 to eliminate the earmarked funding for Indian Reservation Extension Education (\$1,750,000 available in FY 1993).

Need for Change. This program was developed with prior earmarked funds. Funding from basic formula programs, State and local governments and private sources could be used to continue high priority aspects of these programs.

Nature of Change. This proposal will eliminate specially earmarked funds for Indian Reservation Extension Education under Section 3(d) of the Smith-Lever Act.

- (h) An increase of \$3,530,000 for the Nutrition Education Initiative under Section 3(d) of the Smith-Lever Act. (\$3,530,000 available in FY 1993).

Need for Change. With initial funding in FY 1993, the Cooperative Extension System nutrition educators are planning and will conduct innovative nutrition education programs with families enrolled in USDA's Federal Supplemental Food Programs for Women, Infants and Children (WIC). In order to address the objectives and goals of the Department's Nutrition Education plan and provide the outreach component of the Administration 1994 emphasis on increased WIC activity, funds are requested to provide for twice the number of currently planned projects and sites. This allows for the development, implementation, and replication of successful programs to address the needs of this ever growing clientele.

Pregnant women, nursing mothers, mothers with young children, and children from birth to 5 years of age have special nutritional needs. Those with limited incomes have an increased risk for developing nutrition and health-related problems. To meet the special needs of this population, USDA's Extension and the Food and Nutrition (FNS) are collaborating to develop nutrition education programs that target the most needy WIC clients, who are vulnerable to at-risk factors and to those who are eligible for food assistance programs and need help to receive these benefits.

Nature of Change. The requested increase allows for expansion and strengthening of the nutrition education programs coordinated between

Extension and the WIC program of the Food and Nutrition Service begun with the initial funding in FY93. Funds were distributed to States based upon the review and approval of a specific plan of work related to this project and 14 projects were funded in FY93 to begin developing more intensive program efforts to reach this targeted limited resource audience with nutrition education. These intensive efforts will be evaluated as models to be duplicated in other communities throughout the System.

The proposed FY94 level will allow for additional high quality State projects and increased funds to those States who develop approved plans. These added funds will bolster the coordination between Extension, and WIC's neediest and highest potential clientele and adopt some of the most effective models tested in the first year funding. In FY 1993, States were providing matching resources for this Initiative from non-Federal sources.

- (i) An increase of \$3,000,000 for Sustainable Agriculture under Section 3(d) of the Smith Lever Act,(no funds requested in FY 1993).

Need for Change. The U.S. agricultural sector faces major challenges in maintaining economic competitiveness while concurrently assuring responsiveness of agricultural production practices on the environment, economic opportunity and quality of life, food safety and quality, animal well-being and other concerns of society. The public and private sectors have supported research to improve economic competitiveness of the agricultural sector, while being proactive in dealing with environmental problems. These investments have resulted in, and will continue to provide, improved technology and production methods. The agricultural community needs new technologies and production methods efficiently integrated into existing production systems for U.S. agriculture to be economic competitive. The successful integration of these new technologies and production methods into existing systems requires careful analysis and site specific decision-making. New tools and approaches need to be developed and utilized to improve decision-making and access to research based information and education.

Nature of Change. The Sustainable Agriculture program is a critical step between research efforts and producers adopting improved management practices. The program effort will focus resources in the following areas:

- o Establishing validation applied research and demonstration projects which provide an opportunity to illustrate how specific technologies, practices, and production subsystems can be successfully integrated into existing systems.
- o Developing databases and decision support systems utilizing research based information and development efforts resulting from projects funded under subtitle B and other sources, such as GOSSYM-COMAX and PLANETOR decision support systems that are currently in the field and being improved on an annual basis. The decision support systems will be validated in concert with planned validation demonstration projects.

- (j) An increase of \$200,000 for New Uses for farm products and forest products. (No funds requested in FY 1993).

Need for Change. Increased international productivity and rapidly growing international competition require that alternatives to traditional U.S. agricultural outputs be identified and promoted. Meeting this requirement is integral to sustaining the economic and social viability of U. S. agriculture. In the FACT Act of 1990, Congress authorized the development of research and education programs that will promote sustainable agricultural production systems and practices. New agricultural crops and new uses for existing crops offer key opportunities for enhancing sustainability. Extension educational programs address these needs.

Certain of these programs are sufficiently developed for commercialization to justify expanded education for their production and marketing.

Nature of Change. Through development of written and electronic technical and economic guides, handbooks, and/or other educational materials, Extension will develop a program for Extension personnel and other agricultural professionals relating to the production of rapeseed and various commercial uses for kenaf.

- (3) An increase of \$76,000 for funding the Renewable Resources Extension Act (RREA) (P.L. 95-306) (\$2,765,000 available in FY 1993).

Need for Change. The Cooperative Extension System (CES) provides research-based education about renewable natural resources and the environment. Each state conducts its own renewable natural resources education program, with approval by USDA. Education helps landowners and managers sustain productivity and protect the environment on the 800 million acres of privately owned forests and rangelands. This is one-third of the total land area of the United States. Education enables renewable natural resources to better serve individual owners, local communities, and the Nation as a whole.

Nature of Change. The increased funding will provide for the RREA program to maintain current program levels by adjusting for inflation as calculated for the Administration's Baseline Estimates.

- (4) A increase of \$28,000 in funds authorized under Public Law 93-471 for D.C. Extension. (\$1,010,000 available funding in FY 1993).

Need for Change. The D.C. Public Post Secondary Education Act of 1972 establishes the D.C. Extension Service and authorized extension program for the people of the District of Columbia. The D.C. Cooperative Extension Service conducts programs addressing critical issues and problems, especially in the areas of youth development, family living, home horticulture, consumer education, community resource development, and food and nutrition.

Nature of Change. The requested funding level will provide for the D.C. Extension program at the level calculated for the Administration's Baseline Estimates.

- (5) An increase of \$3,034,000 for the 1890 Colleges and Tuskegee University (\$24,730,000 available in FY 1993).

Need for Change. For over two decades, Extension Service has been working with the 1890 Institutions in fostering, developing, implementing and improving extension educational programs to benefit their clientele. The recently completed 1890's Facilities Program provided almost \$48 million for the construction, renovation and upgrade of the facility and equipment needed to operate Extension programs.

The 1890 Institutions, within the partnership of the Cooperative Extension System are almost totally dependent on Federal funds to conduct their legislated responsibilities. Federal funds provide support for the educational base programs, as well as, implementing programs focusing on specific national initiatives. There is a need for increased funding for the Extension programs at the 1890 Land-Grant Institutions and Tuskegee University to address needs of small-scale and minority farmers and other limited resource audiences.

Nature of Change. Of the proposed increase of \$684,000 is requested to maintain the foundation of the educational Base Programs at the level calculated for the Administration's Baseline Estimates.

The remaining \$2,350,000 will be for increased emphasis on responding to the national issues of adolescent pregnancy and sustainability of small-scale farm operations.

- o Adolescent pregnancy and Health programs (\$1.5 million). Funds would be used to identify and develop effective educational programs to significantly reduce this problem affecting the total country. Focused on the plight of young children (prenatal to 5) in the areas of nutrition and health. Paraprofessionals, focusing on individuals, through a series of lessons will teach pregnant teens and teen parents nutrition for themselves and their infant and encourage appropriate prenatal and well-being health care.

- o Sustainable agriculture for small-scale and limited resource farmers (\$850,000). The funds would be employed to establish projects with educational components targeted to limited resources, socially disadvantaged farmers. Through demonstrations, individual counseling and small group meetings, the targeted clientele would acquire skills and knowledge in budgeting, financial management, planning, resource allocation, and marketing toward the goal of achieving viable economic operations.

Funds will be distributed according to the legislatively-established formula, which is based on the farm and rural population within each State, as well as an equal amount to each State.

- (6) A decrease of \$2,550,000 to eliminate payments to States for Disadvantaged Farmer Assistance (\$2,550,000 available in FY 1993).

Need for Change. Disadvantaged Farmer Assistance grants were provided to the States of Nebraska, Iowa, Missouri, Kansas, Mississippi, North Dakota, Oklahoma and Vermont to provide educational and counseling programs for economically distressed or displaced farmers. Initiated during the farm crisis of the early 1980's, these problems are now being addressed by major national initiatives in agricultural profitability and rural revitalization through ongoing Extension programs. Funding from basic formula programs, State and local governments and private sources could be used to continue high priority aspects of these programs within the designated States.

Nature of Change. This proposal will eliminate specifically earmarked funding for this program.

- (7) A decrease of \$1,000,000 to eliminate Rural Technology Grants (\$1,000,000 available in FY 1993).

Need for Change. This project is proposed for elimination as presented in the Administration's "A Vision of Change for America." This earmarked special grant could be considered for financing within the priorities of the respective States.

Nature of Change. This proposal will eliminate earmarked Federal funding support for these projects.

- (8) A decrease of \$1,000,000 to eliminate Outreach and Assistance to Socially Disadvantaged Farmers and Ranchers. (\$1,000,000 funding available in FY 1993).

Need for Change. It was determined by the Secretary that this program will be administered by the Farmers Home Administration (FmHA) within USDA, rather than the Extension Service. FmHA has a request in the FY 1994 President's Budget to continue this program.

Nature of Change. This proposal will eliminate funding within the Extension Service appropriation for this program, based on the transfer of responsibility to FmHA.

- (9) A net decrease of \$4,784,000 for Federal Administration and Coordination (direct line) (\$10,428,000 available in FY 1993).

Project	1993	Inc/Dec	1994
Technology Transfer.(OK/MS)....	\$ 331,000	-\$331,000	--
Farm Financial Mgmt. (NE).....	200,000	-200,000	--
Rural Development.(OK).....	300,000	-300,000	--
Chinch Bug/Russian Wheat Aphid..(NE).....	67,000	-67,000	--
American Pacific Init. (HI).....	647,000	-647,000	--
Tourism.(NM).....	230,000	-230,000	--
Project Future.(MN).....	250,000	-250,000	--
Rural Education Model.(ND).....	846,000	-846,000	--
Pilot Technology.(WI).....	165,000	-165,000	--
Crop Simulation Projects.(MS)...	498,000	-498,000	--
Rural Rehabilitation Projects..(GA).....	250,000	-250,000	--
Presque Island.(ME).....	187,000	-187,000	--
Income Enhancement.(OH).....	250,000	-250,000	--
Rural Health.(AL).....	200,000	-200,000	--
Beef Producers.(AR).....	200,000	-200,000	--
Integrated Cow/Calf Mgmt. (IA)..	150,000	-150,000	--
Home Sewing.(AL,SC,MS,OR)...	157,000	-157,000	--
Extension Specialist.(AR).....	100,000	-100,000	--
Subtotal.....	5,028,000	-5,028,000	--
Base, Federal Administration.....	5,400,000	--	5,400,000
Non-Salary Cost Increase.....	--	+117	117
Annualization, FY93 Pay raise	--	+73	73
Reduction in Administrative Expenses.....	--	-139	-139
Reduction in FTS 2000 Funding	--	-7	-7
1890 Center of Excellence.....	--	+200,000	200,000
TOTAL.....	<u>\$10,428,000</u>	<u>-\$4,784,000</u>	<u>\$5,644,000</u>

- (a) A decrease of \$5,028,000 for special projects (\$5,028,000 available in FY 1993).

Need for Change. These projects are proposed for elimination as presented in the Administration's "A Vision of Change for America." Each of these earmarked special grants that could be considered for financing within the priorities of the respective States.

Nature of Change. This proposal will eliminate earmarked Federal funding support for these projects.

- (b) An increase of \$117,000 which reflects a 2.7 percent increase in non-salary costs.
- (c) An increase of \$73,000 which reflects the annualization of the fiscal year 1993 pay raises.

- (d) A decrease of \$139,000 for administrative efficiency.

Need for Change. To promote the efficient use of resources for administrative purposes, in keeping with the President's Executive Order, total USDA baseline outlays for these activities will be reduced by 3 percent in FY 1994, 6 percent in FY 1995, 9 percent in FY 1996, and 14 percent in FY 1997.

Nature of Change. Extension Service will reduce operating costs related to program coordination with state partners to achieve the proposed reduction.

- (e) A decrease of \$7,000 for FTS 2000 funding. This decrease reflects lower long distance telecommunications prices due to price redetermination in the FTS 2000 contracts .

- (f) An increase of \$200,000 to establish a Center of Excellence for Horticulture at Tennessee State University.

Need for Change. There is a need for increased support to the 1890's to meet the multiple challenges of increasing access, delivery options and best utilization of programs and facilities. The Centers of Excellence concept built on the existing strengths of the Institutions and compatibility of the program priorities with USDA initiatives is the next logical step to build upon the good work USDA and Extension Service have done with the 1890 Institutions.

Nature of Change. The proposed funding level of \$200,000 will establish an outreach program for a National Center of Excellence in Horticulture. This proposal is in agreement with the 1890's Presidents/Chancellors priorities. This Horticulture Center of Excellence will be in cooperation with the established Agricultural Research Service center at the University. It would meet the needs of farmers and producers in the Ornamental Horticulture/Nursery Crop area and related Agricultural Biotechnology and Plants.

EXTENSION SERVICE

SUMMARY OF INCREASES AND DECREASES-INVESTMENT PROPOSAL

<u>Item of Change</u>	<u>Base Request</u>	<u>Investment Proposal</u>	<u>Total Request</u>
<u>Base Program:</u>			
Smith-Lever 3b&c.....	\$270,000,000	--	270,000,000
1890 Colleges and Tuskegee Univ.	27,764,000	--	27,764,000
D.C. Extension.....	1,038,000	--	1,038,000
<u>Earmarked Programs and National Initiatives:</u>			
EFNEP.....	62,201,000	--	62,201,000
Pest Management.....	8,565,000	--	8,565,000
Pesticide Impact Assessment.....	3,405,000	--	3,405,000
Urban Gardening.....	-0-	--	-0-
Farm Safety.....	1,000,000	--	1,000,000
Rural Development Centers.....	950,000	--	950,000
Water Quality.....	11,375,000	--	11,375,000
Youth at Risk.....	12,000,000	--	12,000,000
Food Safety.....	2,000,000	--	2,000,000
Indian Reservations.....	-0-	--	-0-
Nutrition Education Initiative.....	7,060,000	--	7,060,000
Sustainable Agriculture.....	3,000,000	--	3,000,000
New Uses.....	200,000	--	200,000
Renewable Resources Extension Act..	2,841,000	+1,000,000	3,841,000
Agricultural Telecommunications.....	1,221,000	--	1,221,000
Disadv. Farmers Ass't Grants.....	-0-	--	-0-
Rural Technology Grants.....	-0-	--	-0-
Soc. Disadv. Farmers/Ranchers.....	-0-	--	-0-
Rural Health/Safety.....	2,000,000	--	2,000,000
<u>Program Support</u>			
1890 Facilities (Sec. 1447).....	8,000,000	--	8,000,000
Federal Administration and Coordination.....	5,644,000	-0-	5,644,000
Total, Available.....	<u>430,264,000</u>	<u>+1,000,000</u>	<u>431,264,000</u>

Explanation of Investment Proposal

Managing the Nation's forest resources relies increasingly upon scientific information and technology. This includes areas as diverse as understanding forest ecosystems and the wildlife/urban interface to extending the use of wood as a raw material. This investment will allow the Extension Service to transfer the results of agricultural research programs to provide the necessary information to help the Nation develop sound forest-related policies that will both provide resources to meet ever-increasing demands from the population and sustain forest ecosystem.

Major strides have been made in providing the scientific underpinning for human health. As a result, people all over the world have the potential to live longer, healthier lives. It is now time to pay the same attention to the health of our Nation's and the world's forest resources. Concern about, and interest in, forest and their role has never been greater. But, the existing state of knowledge is simply inadequate to develop sound forest-related policies that will both provide resources to meet ever increasing demands for a growing population and sustain ecosystems.

A National Research Council report found that: (1) the demand for scientifically-based information on the status of forests and environmental issues will continue to increase; (2) a strengthened extension program as an important technology transfer and education mechanism for forest land owners, natural resource professionals, policymakers, and the public.

The application of science to ecosystem management calls for a systematic extension process to (1) provide continuing education for natural resource professionals; (2) enable landowners/managers to adapt and utilize research results; (3) assure basic understanding by public decisionmakers; and (4) reach the general public with education to guide their individual and collective actions.

\$1 million of the proposed increased would provide for the education and technology transfer that is essential to the application of existing future ecosystem management knowledge. Extension would develop and implement programs to:

- o Provide for ecosystem management education in partnerships with the USDA Forest Service, Extension Service, Cooperative State Research Service, the natural resource and forestry academic community, and forest industry;
- o Forest productivity, biological diversity, and an sustainable basis for rural economic development;
- o Provide for systematic extension of research products through education and demonstration for: natural resource professionals; landowners/managers; public decision makers; and the general public;
- o Develop high-level competence by natural resource professionals; managers, and landowners on adapting and applying principles and techniques of ecosystem management;
- o Increase public awareness as the relationship between people and ecosystem.

Investment Language

In addition to funding already available under this heading, and subject to the same terms and conditions, \$1,000,000 for natural resources education programs under the Renewable Resources Extension Act of 1978.

EXTENSION SERVICE
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS
1992 AND ESTIMATED 1993 AND 1994
(Amounts in 000's)

State/Territory	FY 1992 Actual Obligations	Estimated Obligations	
		FY 1993	FY 1994
Alabama	\$ 13,022	\$ 12,277	\$ 12,729
Alaska	1,626	1,337	1,357
Arizona	3,346	2,786	2,729
Arkansas	9,544	8,719	8,973
California	11,865	10,696	10,803
Colorado	4,059	3,646	3,631
Connecticut	3,295	2,592	2,574
Delaware	2,407	2,278	2,350
Florida	9,122	8,357	8,559
Georgia	12,598	12,378	12,643
Hawaii	2,451	1,725	1,648
Idaho	3,708	3,048	3,114
Illinois	12,303	11,609	11,611
Indiana	10,112	9,470	9,618
Iowa	11,973	9,927	10,182
Kansas	7,422	6,208	6,340
Kentucky	13,252	12,814	13,233
Louisiana	10,003	8,924	9,033
Maine	3,054	2,621	2,676
Maryland	6,211	5,567	5,611
Massachusetts	4,029	3,702	3,642
Michigan	10,965	10,300	10,418
Minnesota	11,295	9,459	9,694
Mississippi	12,222	10,605	10,877
Missouri	12,956	12,238	12,577
Montana	3,311	2,850	2,914
Nebraska	7,007	5,510	5,635
Nevada	1,716	1,425	1,447
New Hampshire	2,147	1,871	1,912
New Jersey	4,411	3,980	3,926
New Mexico	3,247	2,678	2,727
New York	13,256	11,912	11,732
North Carolina	17,486	16,792	17,335
North Dakota	5,557	3,875	3,944
Ohio	12,794	11,917	12,102
Oklahoma	9,039	7,979	8,255
Oregon	5,171	4,358	4,468
Pennsylvania	13,176	12,337	12,510
Rhode Island	1,589	1,399	1,419
South Carolina	9,658	8,777	9,053
South Dakota	4,161	3,759	3,843
Tennessee	13,490	12,797	13,064
Texas	20,882	19,978	20,554
Utah	2,489	2,109	2,144
Vermont	2,543	1,983	2,020
Virginia	11,828	10,720	11,078
Washington	5,584	4,878	4,905
West Virginia	5,127	4,908	4,999
Wisconsin	10,382	9,297	9,396
Wyoming	2,062	1,769	1,799
American Samoa	543	905	935
Guam	955	953	985
Micronesia	737	982	1,020
No. Mariana Islands	448	885	915
Puerto Rico	8,013	7,851	8,017
Virgin Islands	906	932	964
District of Columbia	970	970	996
Sub-total	\$403,525	\$366,619	\$373,635
To be allocated: (91/92)			
Earmarked Efforts	1,524	40,672	39,267
FERS	--	4,000	4,000
Federal Administration	14,276	13,637	14,362
Unobligated Balance	1,479	709	-0-
Total Available	\$420,804	\$425,637	\$431,264

APPROPRIATION FOR PAYMENTS TO STATES
STATE ALLOTMENTS, FY 1992 - 1994

Smith - Lever Act: Section 3 (b) & 3 (c)	FY 1992	FY 1993	FY 1994
Alabama	5,636,834	5,636,834	5,775,423
Alaska	845,660	845,660	879,425
American Samoa	717,072	717,072	743,309
Arizona	1,476,703	1,476,703	1,527,049
Arkansas	4,762,714	4,762,714	4,881,720
California	5,895,722	5,895,722	6,125,586
Colorado	2,312,488	2,312,488	2,395,447
Connecticut	1,738,548	1,738,548	1,797,778
Delaware	998,270	998,270	1,035,883
Florida	3,450,980	3,450,980	3,597,505
Georgia	6,355,612	6,355,612	6,543,708
Guam	756,380	756,380	784,329
Hawaii	1,048,762	1,048,762	1,083,657
Idaho	2,097,753	2,097,753	2,173,840
Illinois	7,720,646	7,720,646	7,971,871
Indiana	6,969,925	6,969,925	7,215,851
Iowa	7,409,129	7,409,129	7,666,009
Kansas	4,309,696	4,309,696	4,445,909
Kentucky	7,298,298	7,298,298	7,526,660
Louisiana	4,224,710	4,224,710	4,338,308
Maine	1,744,080	1,744,080	1,807,180
Maryland	2,632,927	2,632,927	2,720,915
Massachusetts	2,171,721	2,171,721	2,245,490
Michigan	7,023,309	7,023,309	7,256,212
Micronesia	780,202	780,202	811,198
Minnesota	6,916,025	6,916,025	7,148,199
Mississippi	5,817,172	5,817,172	5,942,926
Missouri	6,839,245	6,839,245	7,064,087
Montana	1,959,508	1,959,508	2,034,028
Nebraska	3,913,028	3,913,028	4,045,830
Nevada	855,334	855,334	890,018
New Hampshire	1,256,100	1,256,100	1,309,251
New Jersey	2,136,250	2,136,250	2,210,063
New Mexico	1,580,263	1,580,263	1,634,245
New York	6,591,726	6,591,726	6,801,190
North Carolina	9,551,043	9,551,043	9,805,846
North Dakota	2,700,219	2,700,219	2,781,553
Ohio	8,484,494	8,484,494	8,776,451
Oklahoma	4,329,311	4,329,311	4,458,724
Oregon	2,765,481	2,765,481	2,876,885
Pennsylvania	8,260,107	8,260,107	8,533,035
Puerto Rico	5,863,606	5,863,606	5,963,831
Rhode Island	845,300	845,300	877,323
South Carolina	4,637,762	4,637,762	4,767,780
South Dakota	2,797,866	2,797,866	2,892,748
Tennessee	6,972,188	6,972,188	7,161,785
Texas	9,738,128	9,738,128	10,049,639
Utah	1,291,529	1,291,529	1,334,820
Vermont	1,385,231	1,385,231	1,435,628
Virgin Islands	737,207	737,207	764,894
Virginia	5,788,162	5,788,162	5,954,941
Washington	3,264,718	3,264,718	3,383,833
West Virginia	3,362,734	3,362,734	3,455,634
Wisconsin	6,910,173	6,910,173	7,149,562
Wyoming	1,170,394	1,170,394	1,213,823
Northern Mariana Islands	696,166	696,166	722,257
Sub - Total	219,794,611	219,794,611	226,791,091
3(b) Special Needs	1,544,909	1,544,909	1,544,909
3(c) Fed'l Admin	6,667,480	6,667,480	6,959,000
Total	228,007,000	228,007,000	235,295,000
Retirement	15,252,000	15,252,000	15,252,000
Penalty Mail	15,453,000	15,453,000	15,453,000
FERS	4,000,000	4,000,000	4,000,000
	262,712,000	262,712,000	270,000,000

APPROPRIATION FOR PAYMENTS TO STATES
FOOD AND NUTRITION EDUCATION, FY 1992 – 1994

Smith–Lever Act: Section 3 (d)	FY 1992	FY 1993	FY 1994
Alabama	1,959,269	1,959,269	1,997,069
Alaska	172,555	172,555	177,460
American Samoa	63,041	63,041	66,732
Arizona	559,425	559,425	579,896
Arkansas	1,248,919	1,248,919	1,272,966
California	3,306,089	3,306,089	3,443,205
Colorado	554,712	554,712	572,005
Connecticut	452,897	452,897	467,828
Delaware	220,669	220,669	226,899
Florida	2,028,220	2,028,220	2,095,782
Georgia	2,133,095	2,133,095	2,179,307
Guam	63,260	63,260	67,054
Hawaii	256,769	256,769	264,484
Idaho	291,144	291,144	300,152
Illinois	2,121,138	2,121,138	2,182,356
Indiana	1,193,997	1,193,997	1,223,220
Iowa	895,041	895,041	912,416
Kansas	689,151	689,151	704,010
Kentucky	1,646,822	1,646,822	1,680,033
Louisiana	1,858,178	1,858,178	1,896,966
Maine	418,454	418,454	428,960
Maryland	838,473	838,473	861,106
Massachusetts	967,105	967,105	997,790
Michigan	1,769,438	1,769,438	1,818,950
Micronesia	69,682	69,682	76,453
Minnesota	985,888	985,888	1,007,841
Mississippi	1,694,371	1,694,371	1,725,226
Missouri	1,540,243	1,540,243	1,572,701
Montana	295,429	295,429	303,183
Nebraska	534,622	534,622	545,881
Nevada	170,861	170,861	177,312
New Hampshire	237,247	237,247	244,160
New Jersey	1,068,054	1,068,054	1,104,799
New Mexico	506,066	506,066	520,128
New York	3,394,059	3,394,059	3,509,247
North Carolina	2,495,823	2,495,823	2,541,375
North Dakota	341,536	341,536	348,488
Ohio	2,178,542	2,178,542	2,235,053
Oklahoma	1,043,512	1,043,512	1,066,522
Oregon	491,618	491,618	508,446
Pennsylvania	2,674,542	2,674,542	2,738,610
Puerto Rico	1,434,538	1,434,538	1,519,321
Rhode Island	301,382	301,382	309,087
South Carolina	1,508,390	1,508,390	1,536,041
South Dakota	385,718	385,718	394,168
Tennessee	1,958,079	1,958,079	1,997,116
Texas	4,167,402	4,167,402	4,269,874
Utah	307,368	307,368	317,972
Vermont	233,258	233,258	239,279
Virgin Islands	62,065	62,065	66,459
Virginia	1,672,785	1,672,785	1,706,442
Washington	676,743	676,743	699,605
West Virginia	966,995	966,995	984,215
Wisconsin	951,069	951,069	975,075
Wyoming	187,635	187,635	192,418
Northern Mariana Islands	61,297	61,297	64,497
Sub–Total	60,304,680	60,304,680	61,913,640
Fed'l Admin	220,320	220,320	287,360
Total	60,525,000	60,525,000	62,201,000

APPROPRIATION FOR PAYMENTS TO STATES
INTEGRATED PEST MANAGEMENT, FY 1992 - 1994

Smith-Lever Act: Section 3 (d)	FY 1992	FY 1993	FY 1994
Alabama	243,941	243,941	243,941
Alaska	42,900	42,900	42,900
American Samoa	11,000	11,000	11,000
Arizona	87,000	87,000	87,000
Arkansas	263,243	263,243	263,243
California	253,100	253,100	253,100
Colorado	87,000	87,000	87,000
Connecticut	55,000	55,000	55,000
Delaware	55,000	55,000	55,000
Florida	155,200	155,200	155,200
Georgia	332,610	332,610	332,610
Guam	11,000	11,000	11,000
Hawaii	55,000	55,000	55,000
Idaho	87,000	87,000	87,000
Illinois	253,100	253,100	253,100
Indiana	190,400	190,400	190,400
Iowa	253,100	253,100	253,100
Kansas	155,200	155,200	155,200
Kentucky	87,000	87,000	87,000
Louisiana	271,600	271,600	271,600
Maine	87,000	87,000	87,000
Maryland	87,000	87,000	87,000
Massachusetts	87,000	87,000	87,000
Michigan	155,200	155,200	155,200
Micronesia	11,000	11,000	11,000
Minnesota	221,200	221,200	221,200
Mississippi	325,902	325,902	325,902
Missouri	229,489	229,489	229,489
Montana	87,000	87,000	87,000
Nebraska	221,200	221,200	221,200
Nevada	42,900	42,900	42,900
New Hampshire	55,000	55,000	55,000
New Jersey	87,000	87,000	87,000
New Mexico	55,000	55,000	55,000
New York	121,100	121,100	121,100
North Carolina	237,541	237,541	237,541
North Dakota	87,000	87,000	87,000
Ohio	221,200	221,200	221,200
Oklahoma	230,900	230,900	230,900
Oregon	121,100	121,100	121,100
Pennsylvania	121,100	121,100	121,100
Puerto Rico	36,300	36,300	36,300
Rhode Island	42,900	42,900	42,900
South Carolina	209,965	209,965	209,965
South Dakota	87,000	87,000	87,000
Tennessee	191,079	191,079	191,079
Texas	632,730	632,730	632,730
Utah	55,000	55,000	55,000
Vermont	42,900	42,900	42,900
Virgin Islands	11,000	11,000	11,000
Virginia	121,100	121,100	121,100
Washington	121,100	121,100	121,100
West Virginia	42,900	42,900	42,900
Wisconsin	155,200	155,200	155,200
Wyoming	55,000	55,000	55,000
Northern Mariana Islands	11,000	11,000	11,000
Sub-Total	7,656,400	7,656,400	7,656,400
Special Projects	543,600	543,600	908,600
Total	8,200,000	8,200,000	8,565,000

APPROPRIATION FOR PAYMENTS TO STATES
PESTICIDE IMPACT ASSESSMENT, FY 1992 - 1994

Smith-Lever Act: Section 3 (d)	FY 1992	FY 1993	FY 1994
Alabama	29,040	25,677	25,677
Alaska	10,205	10,204	10,204
American Samoa	10,000	10,000	10,000
Arizona	29,836	26,207	26,207
Arkansas	36,167	32,679	32,679
California	121,688	107,020	107,020
Colorado	25,165	28,218	28,218
Connecticut	11,735	11,725	11,725
Delaware	28,420	21,563	21,563
Florida	46,305	48,853	48,853
Georgia	35,384	47,566	47,566
Guam	10,000	10,383	10,383
Hawaii	15,620	12,357	12,357
Idaho	46,466	36,075	36,075
Illinois	49,723	55,550	55,550
Indiana	34,797	37,760	37,760
Iowa	67,844	70,239	70,239
Kansas	44,177	47,012	47,012
Kentucky	45,380	41,687	41,687
Louisiana	24,990	31,060	31,060
Maine	19,073	12,555	12,555
Maryland	19,602	16,312	16,312
Massachusetts	12,246	15,365	15,365
Michigan	31,476	34,362	34,362
Micronesia	10,000	10,000	10,000
Minnesota	47,603	53,527	53,527
Mississippi	27,741	27,523	27,523
Missouri	45,040	44,676	44,676
Montana	21,420	21,248	21,248
Nebraska	58,264	66,919	66,919
Nevada	11,075	11,069	11,069
New Hampshire	20,746	20,391	20,391
New Jersey	29,392	22,524	22,524
New Mexico	16,003	15,967	15,967
New York	31,136	27,673	27,673
North Carolina	47,569	40,669	40,669
North Dakota	22,720	25,773	25,773
Ohio	42,254	41,833	41,833
Oklahoma	38,817	41,560	41,560
Oregon	29,095	28,777	28,777
Pennsylvania	32,757	29,374	29,374
Puerto Rico	13,250	18,056	18,056
Rhode Island	10,354	10,352	10,352
South Carolina	21,195	21,020	21,020
South Dakota	30,918	36,866	36,866
Tennessee	36,621	36,307	36,307
Texas	86,907	88,966	88,966
Utah	14,383	14,352	14,352
Vermont	12,441	12,425	12,425
Virgin Islands	10,000	10,007	10,007
Virginia	27,649	24,290	24,290
Washington	29,160	28,947	28,947
West Virginia	14,562	14,521	14,521
Wisconsin	61,963	67,221	67,221
Wyoming	13,626	16,737	16,737
Northern Mariana Islands	10,000	10,001	10,001
Sub-Total	1,730,000	1,730,000	1,730,000
Special Projects	1,675,000	1,675,000	1,675,000
Total	3,405,000	3,405,000	3,405,000

APPROPRIATION FOR PAYMENTS TO STATES
URBAN HOME GARDENING, FY 1992 - 1994

Smith-Lever Act: Section 3 (d)	FY 1992	FY 1993	FY 1994
Alabama			
Alaska			
American Samoa			
Arizona	108,500	108,500	0
Arkansas			
California	241,500	241,500	0
Colorado	96,000	96,000	0
Connecticut	72,500	72,500	0
Delaware			
Florida	145,000	145,000	0
Georgia	145,000	145,000	0
Guam			
Hawaii	101,000	101,000	0
Idaho			
Illinois	291,000	291,000	0
Indiana	108,500	108,500	0
Iowa			
Kansas			
Kentucky	72,000	72,000	0
Louisiana	145,000	145,000	0
Maine			
Maryland	145,000	145,000	0
Massachusetts	145,000	145,000	0
Michigan	145,000	145,000	0
Micronesia			
Minnesota			
Mississippi			
Missouri	145,000	145,000	0
Montana			
Nebraska			
Nevada			
New Hampshire			
New Jersey	145,000	145,000	0
New Mexico			
New York	485,000	485,000	0
North Carolina			
North Dakota			
Ohio	145,000	145,000	0
Oklahoma			
Oregon			
Pennsylvania	145,000	145,000	0
Puerto Rico			
Rhode Island			
South Carolina			
South Dakota			
Tennessee	145,000	145,000	0
Texas	145,000	145,000	0
Utah			
Vermont			
Virgin Islands			
Virginia			
Washington	96,000	96,000	0
West Virginia			
Wisconsin	145,000	145,000	0
Wyoming			
Northern Mariana Islands			
Total	3,557,000	3,557,000	0

APPROPRIATION FOR PAYMENTS TO STATES
FARM SAFETY, FY 1992 - 1994

Smith-Lever Act: Section 3 (d)	FY 1992	FY 1993	FY 1994
Alabama	19,019	19,019	0
Alaska	19,020	19,020	0
American Samoa	0	0	0
Arizona	19,020	19,020	0
Arkansas	19,020	19,020	0
California	19,019	19,019	0
Colorado	19,020	19,020	0
Connecticut	19,020	19,020	0
Delaware	19,020	19,020	0
Florida	19,020	19,020	0
Georgia	19,019	19,019	0
Guam	19,019	19,019	0
Hawaii	0	0	0
Idaho	19,020	19,020	0
Illinois	19,020	19,020	0
Indiana	19,020	19,020	0
Iowa	19,019	19,019	0
Kansas	19,019	19,019	0
Kentucky	19,019	19,019	0
Louisiana	19,019	19,019	0
Maine	19,019	19,019	0
Maryland	19,020	19,020	0
Massachusetts	19,020	19,020	0
Michigan	19,019	19,019	0
Micronesia	0	0	0
Minnesota	19,019	19,019	0
Mississippi	19,019	19,019	0
Missouri	19,019	19,019	0
Montana	19,020	19,020	0
Nebraska	19,020	19,020	0
Nevada	19,020	19,020	0
New Hampshire	19,020	19,020	0
New Jersey	19,020	19,020	0
New Mexico	19,020	19,020	0
New York	19,019	19,019	0
North Carolina	19,019	19,019	0
North Dakota	19,020	19,020	0
Ohio	19,019	19,019	0
Oklahoma	19,020	19,020	0
Oregon	19,020	19,020	0
Pennsylvania	19,020	19,020	0
Puerto Rico	19,020	19,020	0
Rhode Island	19,020	19,020	0
South Carolina	19,020	19,020	0
South Dakota	19,020	19,020	0
Tennessee	19,019	19,019	0
Texas	19,019	19,019	0
Utah	19,020	19,020	0
Vermont	19,020	19,020	0
Virgin Islands	0	0	0
Virginia	19,019	19,019	0
Washington	19,020	19,020	0
West Virginia	19,020	19,020	0
Wisconsin	19,019	19,019	0
Wyoming	19,020	19,020	0
Northern Mariana Islands	0	0	0
Sub-Total	970,000	970,000	0
Special Projects	1,500,000	1,750,000	1,000,000
Total	2,470,000	2,720,000	1,000,000

APPROPRIATION FOR PAYMENTS TO THE 1890 LAND - GRANT COLLEGES
AND TUSKEGEE UNIVERSITY, 1992 - 1994

INSTITUTIONS	FY 1992	FY 1993	FY 1994
Alabama			
Alabama A&M University	1,274,488	1,274,488	1,421,686
Tuskegee	1,274,488	1,274,488	1,421,686
Arkansas			
University of Arkansas	1,152,100	1,152,100	1,282,216
Delaware			
Delaware State College	416,484	416,484	463,281
Florida			
Florida A&M University	1,061,531	1,061,531	1,213,967
Georgia			
Fort Valley State College	1,528,392	1,528,392	1,723,950
Kentucky			
Kentucky State University	1,913,376	1,913,376	2,161,014
Louisiana			
Southern University and A&M College	1,057,358	1,057,358	1,178,693
Maryland			
University of Maryland Eastern Shore	811,485	811,485	908,330
Mississippi			
Alcorn State University	1,261,610	1,261,610	1,396,633
Missouri			
Lincoln University	1,912,073	1,912,073	2,157,479
North Carolina			
North Carolina A&T State University	2,288,585	2,288,585	2,550,760
Oklahoma			
Langston University	1,144,629	1,144,629	1,287,380
South Carolina			
South Carolina State College	1,111,690	1,111,690	1,249,323
Tennessee			
Tennessee State University	1,728,786	1,728,786	1,930,914
Texas			
Prairie View A&M University	2,346,393	2,346,393	2,672,517
Virginia			
Virginia State University	1,457,332	1,457,332	1,633,611
Sub - Total	23,740,800	23,740,800	26,653,440
Federal Administration	989,200	989,200	1,110,560
Total	24,730,000	24,730,000	27,764,000

TABLE II
APPROPRIATION FOR PAYMENT TO STATES
BASIS OF ALLOTMENT AND MATCHING REQUIRED
FISCAL YEAR 1994

ITEM	TOTAL ESTIMATE 1993	ALLOTMENT	AMOUNT PAID W/O MATCHING	AMOUNT REQUIRED MATCHING
Smith-Lever Act:	270,000,000			
Section 3(b)		56,475,091 -fixed by Sec 3b PL 87-749	14,513,808	41,961,283
		1,544,909	--	1,544,909
Section 3(c)		(177,275,000)	7,959,000	169,316,000
		67,926,400 -farm pop.		
		67,926,400 -rural pop.		
		34,463,200 -equally		
		6,959,000 fed admin. & coord. Sec 3c.1		
Fed Employees Retirement System		4,000,000 -Fed'l contirbution	4,000,000	--
Retirement & Employees Compensation Cost		15,252,000 -Fed'l contirbution	15,252,000	--
Penalty Mail		15,453,000 -Reimbursement to US Postal Sevice	15,453,000	--
Section 3(d)	111,756,000	61,913,640 -EFNEP	62,201,000	--
		287,360 -Fed'l Admin.		
		8,565,000 -IPM	8,565,000	--
		11,375,000 -Water Quality	6,292,500	5,082,500
		3,405,000 -PLA	3,405,000	--
		12,000,000 -YAR	--	12,000,000
		2,000,000 -Food Safety	--	2,000,000
		7,060,000 -Nutr. Education	7,060,000	--
		1,000,000 -Farm Safety	1,000,000	--
		950,000 -Rural Dev. Centers	950,000	--
		3,000,000 -Sustainable Agr.	3,000,000	--
		200,000 -New Uses	200,000	--
Title XIV, Food/Ag Act 1997, as amended, 1890 Colleges	27,764,000	(27,764,000)	27,764,000	--
		1,110,560 -Fed'l Admin.		
		26,653,440 -To 1890 Colleges & Tuskegee		
Renewable Resources	3,841,000	3,841,000	3,841,000	--
1890 Facilities	8,000,000	7,680,000 -To 1890 Colleges & Tuskegee	8,000,000	--
		320,000 -Fed'l Admin.		
Rural Health	2,000,000	2,000,000	2,000,000	--
Ag. Tele.	1,221,000	1,221,000		1,221,000
D.C. Public	1,038,000	(1,038,000)		
Postsecondary Education		41,520 -Fed'l Admin.	41,520	996,480
Reorganization Act		996,480 -To Univ. D.C.		
SUBTOTAL	425,620,000	425,620,000	191,497,828	234,122,172
Fed'l Admin	5,644,000			
Total FY-1993	431,264,000			

NATIONAL AGRICULTURAL LIBRARY

Purpose Statement

The National Agricultural Library (NAL) had its mission outlined by the Organic Act of 1862, establishing the Department of Agriculture. The act, as amended, sets forth a mission, "to acquire and to diffuse among the people of the United States useful information on subjects connected with agriculture, rural development, aquaculture and human nutrition, in the most comprehensive and general sense of the word," and placed upon the Secretary the responsibility to "Procure and preserve all information concerning agriculture, rural development, aquaculture, and human nutrition, which he can obtain by means of books."

NAL serves as the Nation's chief agricultural information resource. It provides agricultural information products and services through traditional library functions and through modern electronic dissemination to agencies of the USDA, public and private organizations, and individuals. NAL coordinates a national network of public and private libraries consisting of the land-grant colleges and universities, other state supported colleges and universities with agriculturally-related programs, other public organizations, industry, and other private sector organizations. The NAL provides a leadership role in U.S. participation in international agricultural library and information systems and in efforts to promote worldwide availability of agricultural information.

NAL has as its ultimate purpose facilitating access to and use of information about agriculture and related sciences by all those who need the information. In addition to providing traditional library services such as bibliographies, reference services and document delivery to agricultural scientists and researchers, NAL is expanding its role and serving a wider audience by using modern information dissemination technology to its fullest. The Library concentrates its thrust towards the agricultural community, which includes Federal, State, and private researchers, administrators, agricultural extension and education personnel, the farmer, the small businessman, public groups at all levels, and the general public.

With approximately 2.1 million volumes of printed material on agriculture and supporting scientific disciplines, NAL has one of the largest collections of its kind in the world. Primarily current, but also historical information is collected and organized for effective utilization by a wide range of users, and is cataloged or indexed in AGRICOLA, the NAL database of 2.9 million citations to agricultural publications. NAL also provides extensive input of U.S. publication records to AGRIS, the cooperative agricultural database of the Food and Agricultural Organization of the United Nations.

The basic operations of NAL are located in the NAL Building at Beltsville, Maryland. Specialized services are provided from a reference center in Washington, D.C. Service is provided from both these locations as well as 18 USDA field libraries and 38 smaller USDA centers containing a total of approximately a quarter of a million volumes.

As of September 30, 1992, NAL employment was 203 permanent full time and 33 other than full time employees. With the exception of six employees stationed in Washington, D.C., all are located in Beltsville, Maryland.

NATIONAL AGRICULTURAL LIBRARY
Available Funds and Staff-Years
1992 Actual Estimated, 1993 and 1994

	1992 Actual		1993 Estimated		1994 Estimated	
	Amount	Staff Years	Amount	Staff Years	Amount	Staff Years
National Agricultural Library	\$17,715,000	198	\$17,715,000	191	\$17,915,000	191
<u>Allocations from:</u>						
Hazardous Waste Management.....	24,135	---	---	---	---	---
<u>Obligations under other</u>						
<u>USDA appropriation:</u>						
Agricultural Marketing Service:						
Space Costs.....	14,719	---	14,719	---	14,700	---
Postage.....	1,950	---	2,000	---	2,000	---
Current Awareness Literature Service...	3,318	---	4,061	---	4,000	---
Dun & Bradstreet.....	---	---	208	---	208	---
Agricultural Research Service						
Plant Genome Data & Information Center...	1,140,000	5	1,100,000	6	1,100,000	6
Computer Room Support..	131,788	---	131,788	---	131,000	---
Subscriptions Costs....	8,197	---	10,823	---	11,000	---
Evaluation Study-Tech Transfer.....	47,000	---	---	---	---	---
Evaluation Study-Aquaculture.....	45,000	---	---	---	---	---
Evaluation Study Networking Info. Through Image Transfer.....	37,000	---	---	---	---	---
Current Awareness Literature Service...	610,436	5	610,436	5	610,000	5
Space Costs.....	47,764	---	---	---	---	---
Postage.....	2,333	---	---	---	---	---
Aquaculture-Guide to Federal Gov't. Prog..	1,000	---	---	---	---	---
Global Change Info. Package-Printing.....	65,000	---	---	---	---	---
Translation-Russian....	6,500	---	---	---	---	---
Document Delivery.....	15,000	---	---	---	---	---
Animal & Plant Health Inspection Service:						
Current Awareness Literature Service...	32,336	---	33,703	---	33,000	---
Biotechnology-Cataloging Material..	14,331	---	---	---	---	---
Cooperative State Research Service:						
Current Awareness Literature Service...	---	---	1,613	---	1,600	---
Computer Room Support..	38,813	---	38,813	---	38,000	---
Support for Aquaculture Information Center...	19,000	1	18,000	1	18,000	1
Postage & Mail Service.	5,500	---	3,905	---	3,900	---
Space.....	20,499	---	20,499	---	20,500	---

NATIONAL AGRICULTURAL LIBRARY
Available Funds and Staff-Years
1992 Actual Estimated, 1993 and 1994

	1992 Actual		1993 Estimated		1994 Estimated	
	Amount	Staff Years	Amount	Staff Years	Amount	Staff Years
Cooperative State Research (cont.):						
National Biological Impact Assessment Program.....	16,000	---	16,000	---	16,000	---
Alternative Farming Information Center...	167,500	2	100,000	2	100,000	2
Extension Service:						
Current Awareness Literature Service...	14,616	---	14,616	---	14,700	---
Youth 4-H Info. Ctr....	87,747	1	100,000	1	100,000	1
Aquaculture Support....	3,500	---	3,500	---	3,500	---
Farmer's Home Admin:						
Rural Information Support.....	13,200	---	52,800	---	52,000	---
Food and Nutrition Service:						
Lending Service.....	125,000	---	110,000	---	100,000	---
Forest Service:						
Current Awareness Literature Service...	10,502	---	11,900	---	11,500	---
Indexing Service.....	45,465	1	45,465	1	51,300	1
Food Safety & Inspection Service:						
Current Awareness Literature Service...	7,835	---	9,645	---	10,000	---
National Exchange for Food Labeling.....	35,000	---	---	---	---	---
Human Nutrition Information Service:						
Current Awareness Literature Service...	8,787	---	9,784	---	9,800	---
National Finance Center: Dun & Bradstreet.....	1,686	---	2,594	---	2,500	---
Office of the Inspector General:						
Dun & Bradstreet.....	---	---	2,108	---	2,000	---
Soil Conservation Service:						
Current Awareness Literature Service...	9,875	---	14,363	---	14,500	---
Miscellaneous Activities...	9,828	---	433,657	---	341,292	---
Total Other USDA Appropriations.....	2,864,025	15	2,917,000	16	2,817,000	16
Total Agricultural Appropriations.....	20,603,160	213	20,632,000	207	20,732,000	207

NATIONAL AGRICULTURAL LIBRARY
Available Funds and Staff-Years
1992 Actual Estimated, 1993 and 1994

	1992 Actual		1993 Estimated		1994 Estimated	
	Amount	Staff Years	Amount	Staff Years	Amount	Staff Years
<u>Other Federal Funds:</u>						
Department of Commerce, NTIS Sale of Photocopies.....	28,000	---	28,000	---	28,000	---
Environmental Protection Agency Bibliographies.....	50,000	1	---	---	---	---
National Oceanic and Atmospheric Administration: Aquaculture.....	4,000	---	5,000	---	5,000	---
Food and Drug Administration: Aquaculture Support..	3,000	---	---	---	---	---
Health and Human Services: Rural Information Health Service.....	400,000	2	400,000	2	400,000	2
National Exchange for Food Labeling.....	55,125	---	---	---	---	---
Fish and Wildlife: Aquacultural Support- Printing.....	1,000	---	---	---	---	---
Total, Other Federal Funds	541,125	3	433,000	2	433,000	2
<u>Non-Federal Funds:</u>						
University of Mississippi: Food Service Education...	45,000	---	45,000	---	45,000	---
Miscellaneous Contributed Funds.....	10,000	---	35,000	---	35,000	---
Total, Non-Federal Funds	55,000	---	80,000	---	80,000	---
Total, National Agricultural Library	21,199,285	216	21,145,000	209	21,245,000	209

UNITED STATES DEPARTMENT OF AGRICULTURE
 NATIONAL AGRICULTURAL LIBRARY
PERMANENT POSITIONS BY GRADE AND STAFF-YEAR SUMMARY
1992 and Estimated 1993 and 1994

GRADE	1992	1993	1994
	HEADQUARTERS	HEADQUARTERS	HEADQUARTERS
ES-5	1	1	1
GS/GM-15	3	2	2
GS/GM-14	9	9	9
GS/GM-13	26	23	23
GS-12	56	54	53
GS-11	31	26	25
GS-9	3	2	2
GS-8	3	3	3
GS-7	39	35	34
GS-6	33	31	31
GS-5	13	10	10
GS-4	3	3	2
GS-3	0	0	0
<u>Total, Permanent Positions</u>	220	199	195
Unfilled Positions, End of Year	-17	-6	-6
Total Permanent Employees, End of Year	203	193	189
<u>Staff-Years:</u> Ceiling	216	209	209

NATIONAL AGRICULTURAL LIBRARY

CLASSIFICATION BY OBJECTS1992 and Estimated 1993 and 1994

	<u>1992</u>	<u>1993</u>	<u>1994</u>
Personnel Compensation			
Headquarters.....	\$7,400,638	\$7,656,000	\$6,122,185
11 Total Personnel Compensation.....	7,417,000	7,656,000	7,803,000
12 Personnel Benefits	1,376,269	1,346,000	1,400,000
13 Benefits for Former Personnel.....	--	--	--
Total Pers. Comp. & Benefits.....	<u>8,793,000</u>	<u>9,002,000</u>	<u>9,203,000</u>
Other Objects:			
21 Travel.....	153,000	211,000	150,000
22 Transportation of Things.....	84,000	35,000	50,000
23 Communications, Utilities and Other Rent.....	962,000	975,000	975,000
24 Printing and Reproduction.....	219,000	850,000	200,000
25 Other Services.....	3,464,000	3,182,000	3,535,000
26 Supplies and Materials.....	2,476,000	2,500,000	2,820,000
31 Equipment.....	775,000	656,000	900,000
41 Grants.....	784,000	439,000	182,000
Total Other Objects	<u>8,917,000</u>	<u>8,848,000</u>	<u>8,812,000</u>
Total Direct Obligations	<u>17,710,000</u>	<u>17,850,000</u>	<u>18,015,000</u>
<u>Position Data:</u>			
Average Salary, ES Positions	\$107,714	\$111,212	\$115,000
Average Salary, GS/GM Positions	\$39,780	\$41,252	\$42,722
Average Grade GS/GM Positions	8.9	8.9	8.9

NATIONAL AGRICULTURAL LIBRARY

The estimates include appropriation language for this item as follows (new language underscored; deleted matter enclosed in brackets):

National Agricultural Library

For necessary expenses of the National Agricultural Library [\$17,715,000] \$17,915,000: Provided, That this appropriation shall be available for employment pursuant to the second sentence of section 706 (a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed \$35,000 shall be available for employment under 5 U.S.C. 3109: Provided further, That not to exceed \$900,000 shall be available pursuant to 7 U.S.C. 2250 for the alteration and repair of buildings and improvements [: Provided further, That \$462,000 shall be available for a grant pursuant to section 1472 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3318), in addition to other funds available in this appropriation for grants under this section].

The change deletes language providing funds for a grant under section 1472 which in FY 1993 was made to the Leflar School of Law, University of Arkansas, Fayetteville, Arkansas.

NATIONAL AGRICULTURAL LIBRARY

Appropriation Act, 1993.....	\$17,715,000
Budget Estimate, 1994.....	17,915,000
Increase in Appropriation.....	<u>+200,000</u>

SUMMARY OF INCREASES AND DECREASES
(On basis of appropriation)

<u>Item of Change</u>	<u>1993 Estimate</u>	<u>Pay Cost</u>	<u>Other Changes</u>	<u>1994 Estimate</u>
Leflar School of Law.....	\$462,000	-0-	-\$462,000	-0-
Journal Subscription and Document Delivery.....	-0-	-0-	+462,000	\$462,000
All Other.....	<u>17,253,000</u>	<u>+\$201,000</u>	<u>-1,000</u>	<u>17,453,000</u>
Total Available	<u>17,715,000</u>	<u>+201,000</u>	<u>-1,000</u>	<u>17,915,000</u>

PROJECT STATEMENT
(On basis of adjusted appropriated)

	1992 Actual		1993 Estimated		Increase or Decrease	1994 Estimated	
		Staff Years	Amount	Staff Years		Amount	Staff Years
1) Agricultural Library Services for Research & Education....	\$16,747,922	198	\$16,815,000	191	(1) +\$200,000	\$17,015,000	191
2) Repair & Maintenance of Facilities..	900,000	---	900,000	---	-0-	900,000	---
Unobligated Balance.....	67,078	---	---	---	---	---	---
Total Available or Estimate.....	\$17,715,000	198	\$17,715,000	191	+\$200,000	\$17,915,000	191
Total, Appropriation.....	\$17,715,000	198					

National Agricultural Library

Explanation of Programs

The basic function of the National Agricultural Library (NAL) is to identify, acquire, disseminate, and deliver pertinent food and agriculture information to all scientists, researchers, administrators, and others working in agricultural fields in both the government and private sectors. To meet user needs, NAL is working with libraries at land-grant universities and other institutions to develop a network to enhance access to information. NAL also maintains an extensive collection of agricultural publications and provides access to these publications through AGRICOLA, its master bibliographic database. NAL also provides current awareness and retrospective searches on worldwide agricultural literature through other computer-based systems of interest to agricultural scientists and educators.

New technologies and systems of networking that contribute to making it possible for the user to have faster, more sophisticated, and more cost effective access to information is at the forefront of NAL's initiatives.

One essential NAL program involves advanced information technologies. NAL has intensified its efforts to enhance and expand its information-providing capabilities by testing the exciting possibilities of the new technology, including computer-based video technology, both often coupled with recently developed optical scanning and developing laser technology, and artificial intelligence software. The NAL staff strives to identify and evaluate these advanced technologies to determine their potential for improving agricultural information access and use. As these advanced technologies are applied to specific projects, NAL works to transfer their use to other agricultural organizations, which could benefit from their adoption. Such technologies have great potential for making information more widely available in a more timely way and in greater depth than ever before. By using advanced information technology, NAL will be better able to promote the organization and availability of agricultural information to the national and international agricultural communities.

In an effort to improve services in particular subject areas, NAL has established specialized information centers to provide enhanced services to current clientele as well as to develop new service relationships with the public and private sectors. The purpose of the centers is to focus activities in the areas of great interest to the Department of Agriculture, the agricultural community throughout the Nation, and the public. NAL is able to take a proactive approach that involves a heavy emphasis on outreach and networking activities. In addition, information center staff concentrate their efforts on strengthening the NAL collection and developing information products. Information centers have a diverse audience including researchers, administrators, educators, consumers, and the private sector to a greater degree. Currently, NAL has information centers on Agricultural Trade and Marketing; Alternative Farming Systems (Low Input/Sustainable Agriculture); Animal Welfare; Aquaculture; Biotechnology; Food and Nutrition; Horticulture; Rural Development; Youth Development; Technology Transfer; and Water Quality.

NAL serves a dual role as the primary literature source for the American agricultural community and as a national authority among libraries and information centers here and abroad. NAL also is cooperating with the National Library of Medicine on sharing collection responsibilities for veterinary science, human nutrition, and biotechnology.

National Agricultural Library

Justification of Increases and Decreases

- (1) A net increase of \$200,000 for library services, consisting of the following:

- (a) A decrease of \$462,000 for the Leflar School of Law, University of Arkansas (\$462,000 available in FY 1993).

This decrease reflects the discontinuation of the funding of a grant to the Agricultural Law Library of the Leflar School at the University of Arkansas.

- (b) An increase of \$462,000 for journal subscriptions and document delivery services (\$4,100,905 available in FY 1993).

Need for Change: - The escalation of costs for library materials, services and equipment continues to erode NAL's capability to provide basic agricultural information services.

Approximately 80 percent of the NAL library materials budget is used to obtain subscriptions to agricultural and scientific journals. NAL users rely on these journal publications to obtain the results of the most current scientific investigations. The cost for journal subscriptions is increasing at the rate of 15 percent annually. Industry statistics over the last three years indicate the following trends in journal subscription prices for the subjects considered core to NAL user needs:

Aquaculture	+122 percent
Veterinary medicine	+ 60 percent
Animal Science	+ 57 percent
Botany	+ 37 percent
Agriculture	+ 35 percent
Agronomy	+ 19 percent
Forestry	+ 16 percent

In addition to reinstating lapsed subscriptions, funds are needed to maintain current subscriptions; obtain subscriptions to new electronic journals and software products; and acquire new titles on subjects directly related to the research efforts of the USDA scientific community.

Further, the cost of providing document delivery services, including the regional document delivery system and interlibrary loan activities increases significantly each year. In FY 1994, the cost of providing these services will increase by approximately 15.6 percent.

Nature of Change: - The additional \$462,000 will be used for the purchase of journal subscriptions and books and for the provision of document delivery services.

- (c) An increase of \$241,000 which reflects a 2.7 percent increase in non-salary costs.
- (d) An increase of \$201,000 which reflects the annualization of the fiscal year 1993 pay raise.

- (e) A decrease of \$239,000 for administrative efficiency.

Need for Change: - To promote the efficient use of resources for administrative purposes, in keeping with the President's Executive Order, total USDA baseline outlays for these activities will be reduced by 3 percent in FY 1994, 6 percent in FY 1995, 9 percent in FY 1996 and 14 percent in FY 1997.

Nature of Change: - NAL will save \$65,000 by abolishing a vacant budget officer position and reassigning this responsibility to an existing position. The additional required savings will be realized through a combination of measures, including: careful monitoring of supply and furniture purchases; decreasing the amount available for consulting services; adjusting the temperature and accelerating the installation of energy saving light fixtures in the NAL building to reduce utility costs; and reducing travel by 10 percent of the total amount available in FY 1993.

- (f) A decrease of \$3,000 for FTS 2000 funding.

This decrease reflects lower long distance telecommunications prices due to price redeterminations in the FTS 2000 contracts.

NATIONAL AGRICULTURAL LIBRARY
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS AND STAFF-YEARS
1992 And Estimated 1993 and 1994

	1992		1993		1994	
	<u>Amount</u>	<u>Staff Years</u>	<u>Amount</u>	<u>Staff Years</u>	<u>Amount</u>	<u>Staff Years</u>
District of Columbia	\$225,529	6	\$266,000	6	\$274,000	6
Maryland.....	17,422,393	192	17,449,000	185	17,641,000	185
Subtotal, Available or Estimate.....	17,647,922	198	17,715,000	191	17,915,000	191
Unobligated Balance	67,078	---	---	---	---	---
Total, Available for Estimate.....	17,715,000	198	17,715,000	191	17,915,000	191

ANIMAL AND PLANT HEALTH INSPECTION SERVICE

Purpose Statement

The Animal and Plant Health Inspection Service (APHIS) was established by the Secretary of Agriculture on April 2, 1972, under the authority of the Reorganization Plan No. 2 of 1953 and other authorities. The primary mission of APHIS is to protect the Nation's animal and plant resources from diseases and pests in order to preserve the marketability of U.S. agricultural products within this country and abroad. The mission is carried out under the major areas of activity, as follows:

Pest and Disease Exclusion: The Agency conducts inspection and quarantine activities at U.S. ports-of-entry to prevent the introduction of exotic animal and plant diseases and pests. The Agency also participates in inspection, survey, and control activities in foreign countries to reinforce its domestic activities. User fees cover phytosanitary certificates and inspection services for international passengers, and commercial vessels, aircraft, trucks, and railroad cars.

Plant and Animal Health Monitoring: The Agency conducts programs to assess animal and plant health, detect endemic and exotic diseases and pests, and ensure compliance with interstate movement and other disease control regulations within the jurisdiction of the Agency.

Pest and Disease Management Programs: The Agency carries out programs to control and eradicate plant pest infestations and animal diseases that threaten the United States; reduce agricultural losses caused by predatory animals, birds, and rodents; provide technical assistance to other cooperators such as States, counties, and farmer or rancher groups, and foundations.

Animal Care: The Agency conducts regulatory activities which ensure the humane care and treatment of animals and horses as required by the Animal Welfare and Horse Protection Acts. These activities include inspection of certain establishments which handle animals intended for research, exhibition, and as pets, and monitoring of certain horse shows.

Scientific and Technical Services: The Agency performs other regulatory activities, including the development of standards for the licensing and testing of veterinary biologicals to ensure their safety and effectiveness; diagnostic activities in support of the control and eradication programs in other functional components; applied research aimed at reducing economic damage from vertebrate animals; development of new pest and animal damage control methods and tools; and regulatory oversight of genetically engineered products.

As of September 30, 1992, there were 5,096 permanent full-time employees and 1,509 other than permanent full-time employees. Of the total, 934 permanent full-time employees and 76 other than permanent full-time employees work in central offices in the Washington metropolitan area. The field activities are managed on a national basis through 10 regional offices and 484 field offices, including area offices, work stations, technical centers, and animal import centers. Much of the work is conducted in cooperation with State and local agencies, private groups, and foreign governments. Most of APHIS' work is conducted at field locations in the 50 States, Guam, Puerto Rico, Virgin Islands, Mexico, Central America, South America, the Caribbean, Western Europe, Australia, Asia, and Africa.

ANIMAL AND PLANT HEALTH INSPECTION SERVICE

Available Funds and Staff-Years1992 Actual and Estimated, 1993 and 1994

Item	1992 Actual		1993 Estimated		1994 Estimated	
	Amount	Staff-Years	Amount	Staff-Years	Amount	Staff-Years
<u>Appropriated:</u>						
Salaries and Expenses.....	\$345,577,000	4,419	\$349,538,000	4,544	\$346,625,000	4,343
Transfer to Office of the Secretary.....	-98,000	--	-212,000	--	--	--
Agricultural quarantine inspection user fees.....	85,362,000	1,427	83,362,000	1,566	91,460,000	1,604
Emergency transfers (CCC).	17,382,670	98	25,860,000	--	--	--
Puerto Rico cattle tick.....	10,825,000	--	10,825,000	--	--	--
Buildings and Facilities.....	21,396,000	--	10,400,000	--	10,272,000	--
	480,444,670	5,944	479,773,000	6,110	448,357,000	5,947
<u>Obligations under other USDA Appropriations:</u>						
Agricultural Cooperative Service for administrative support.....	145,549	3	146,000	3	146,000	3
Agricultural Marketing Service for administrative and technical support.....	2,103,160	27	2,103,000	27	2,308,000	30
Agricultural Research Service:						
for administrative support.....	7,000	--	7,000	--	7,000	--
for plant control.....	102,799	--	103,000	--	103,000	--
for animal control.....	13,800	--	14,000	--	14,000	--
Agricultural Stabilization and Conservation Service:						
for contamination and residue testing.....	39,000	--	39,000	--	39,000	--
Allocation from Hazardous waste.....	202,000	--	149,000	--	50,000	--
Food and Nutrition Service for cattle tick program in Puerto Rico.....	--	--	--	--	10,825,000	--
Federal Grain Inspection Service for administrative support.....	1,032,000	31	1,032,000	31	1,237,000	33
Food Safety and Inspection Service for administrative support.....	30,118	--	30,000	--	30,000	--

Item	1992 Actual		1993 Estimated		1994 Estimated	
	Amount	Staff- Years	Amount	Staff- Years	Amount	Staff- Years
Human Nutrition Information Service: for administrative support.....	95,194	--	95,000	--	95,000	--
for systems furniture.....	280,000	--	--	--	--	--
Office of International Cooperation and Dev. for employee services and training and animal damage control.....	708,039	--	709,000	--	709,000	--
Office of Inspector General for administrative support.....	19,341	--	19,000	--	19,000	--
Packers and Stockyards Administration for administrative support.....	288,000	6	288,000	6	288,000	6
Total, Other Agriculture Appropriations.....	5,066,000	67	4,734,000	67	15,870,000	72
Total, Agriculture Appropriations.....	485,510,670	6,011	484,507,000	6,177	464,227,000	6,019
<u>Other Federal Funds:</u>						
Department of Energy for animal damage control activities.....	2,000	--	2,000	--	2,000	--
Department of the Interior: Fish and Wildlife Service for animal damage control activities.....	200,642	--	201,000	--	201,000	--
Bureau of Land Management for animal damage control activities.....	2,200	--	2,000	--	2,000	--
Bureau of Indian Affairs for animal damage control activities.....	5,048	--	5,000	--	5,000	--
Department of Transportation (NOAA) for animal damage control activities.....	4,646	--	5,000	--	5,000	--
Department of Treasury for shuttle service.....	69,147	--	70,000	--	70,000	--
Federal Aviation Administration for animal damage control.....	724,000	--	724,000	--	724,000	--
Forest Service: for animal damage control, and gypsy moth control.....	638,108	--	638,000	--	638,000	--

Item	1992 Actual		1993 Estimated		1994 Estimated	
	Amount	Staff- Years	Amount	Staff- Years	Amount	Staff- Years
Tennessee Valley Authority for animal damage control activities.....	53,525	--	54,000	--	54,000	--
U.S. Postal Service for animal damage control activities.....	2,800	--	--	--	--	--
U.S. Air Force for animal damage control activities....	19,875	--	20,000	--	20,000	--
U.S. Army for animal damage control activities....	478,035	--	478,000	--	478,000	--
U.S. Marine Corps for animal damage control activities.....	66,200	--	66,000	--	66,000	--
U.S. Navy: for preclearance activities.....	85,000	--	85,000	--	85,000	--
for animal damage control activities.....	297,774	--	298,000	--	298,000	--
Total, Other Federal Funds	2,649,000	--	2,648,000	--	2,648,000	--
Total, Federal Funds.....	488,159,670	6,011	487,155,000	6,177	466,875,000	6,019
<u>Reimbursements:</u>						
Funds from State and local governments for animal damage control activities....	5,169,446	121	5,500,000	121	5,000,000	228
California Department of Food and Agriculture for inspection services.....	1,748,545	51	3,400,000	51	2,600,000	51
Illegally imported birds.....	117,868	--	180,000	--	180,000	--
Import-Export user fees.....	862,207	--	8,100,000	118	4,200,000	99
Phytosanitary certificate user fees.....	2,005,582	8	3,368,000	10	3,321,000	20
Reimbursable overtime.....	10,293,134	--	9,738,000	--	10,782,000	--
Truman Animal Import Center.....	923,362	--	1,000,000	--	900,000	--
Veterinary diagnostics user fees.....	--	--	1,800,000	--	1,500,000	--

Item	1992 Actual		1993 Estimated		1994 Estimated	
	Amount	Staff- Years	Amount	Staff- Years	Amount	Staff- Years
<u>Trust Funds:</u>						
Feed, care, and attendants for animals in quarantine...	528,519	23	533,000	23	553,000	23
Miscellaneous Contributed Funds.....	6,267,829	30	6,570,000	30	6,368,000	30
Total, Non-Federal Funds.	27,916,492	233	40,189,000	353	35,404,000	451
Total, Animal and Plant Health Inspection Service..	516,076,162	6,244	527,344,000	6,530	502,279,000	6,470

ANIMAL AND PLANT HEALTH INSPECTION SERVICE

Permanent Positions by Grade and Staff-Year Summary1992 and Estimated 1993 and 1994

Grade	1992			1993			1994		
	Headquarter	Field	Total	Headquarter	Field	Total	Headquarter	Field	Total
ES-6	1	0	1	1	0	1	1	0	1
ES-5	6	2	8	6	2	8	6	2	8
ES-4	5	5	10	5	5	10	5	5	10
ES-3	2	1	3	2	1	3	2	1	3
ES-2	1	1	2	1	1	2	1	1	2
ES-1	2	0	2	2	0	2	2	0	2
GS/GM-15	54	27	81	54	27	81	53	27	80
GS/GM-14	164	121	285	164	121	285	163	120	283
GS/GM-13	165	263	428	165	263	428	164	262	426
GS-12	108	569	677	108	599	707	108	599	707
GS-11	72	483	555	72	508	580	72	508	580
GS-10	1	1	2	1	1	2	1	1	2
GS-09	71	1,067	1,138	71	1,267	1,338	69	1,223	1,292
GS-08	17	27	44	17	27	44	17	27	44
GS-07	75	586	661	75	589	664	75	589	664
GS-06	70	157	227	70	157	227	70	157	227
GS-05	85	494	579	85	491	576	85	491	576
GS-04	49	347	396	49	347	396	49	347	396
GS-03	11	29	40	11	29	40	11	29	40
GS-02	1	2	3	1	2	3	1	2	3
Other Graded Positions.....	22	368	390	22	368	390	22	368	390
Ungraded Positions	0	114	114	0	114	114	0	114	114
Total Permanent Positions	982	4,664	5,646	982	4,919	5,901	977	4,873	5,850
Unfilled Positions End-of-Year.....	-38	-512	-550	-38	-487	-525	-38	-485	-523
Total, Permanent Employment, End-of-Year.....	944	4,152	5,096	944	4,432	5,376	939	4,388	5,327
Staff-Years:									
Ceiling.....	1,005	5,239	6,244	922	5,608	6,530	905	5,565	6,470

ANIMAL AND PLANT HEALTH INSPECTION SERVICE

CLASSIFICATION BY OBJECTS1992 and Estimated 1993 and 1994

	<u>1992</u>	<u>1993</u>	<u>1994</u>
Personnel Compensation:			
Headquarters.....	\$41,163,446	\$41,904,000	\$41,648,000
Field.....	<u>164,653,784</u>	<u>172,336,000</u>	<u>166,684,000</u>
11 Total personnel compensation.....	205,817,230	214,240,000	208,332,000
12 Personnel benefits.....	46,118,108	45,649,000	45,720,000
13 Benefits for former personnel.....	<u>622,269</u>	<u>700,000</u>	<u>716,000</u>
Total personnel compensation and benefits.....	252,557,607	260,589,000	254,768,000
Other Objects:			
21 Travel.....	16,089,241	19,577,000	13,707,000
22 Transportation of things.....	5,972,047	5,233,000	4,487,000
23.2 Rental payments to others.....	4,785,026	3,659,000	3,645,000
23.3 Communications, utilities and miscellaneous charges.....	14,219,187	15,858,000	15,416,000
24 Printing and reproduction	1,475,561	648,000	598,000
25.2 Other services.....	79,961,121	70,687,000	61,006,000
26 Supplies and materials...	27,477,279	35,076,000	25,878,000
31 Equipment.....	24,249,577	26,656,000	26,602,000
32 Lands and structures.....	52,164	27,000	27,000
41 Grants, contributions and subsidies.....	25,185,173	25,795,000	26,494,000
42 Insurance claims and indemnities.....	3,002,233	5,547,000	5,435,000
43 Interest and dividends...	<u>50,000</u>	<u>21,000</u>	<u>22,000</u>
Total other objects.....	<u>202,518,609</u>	<u>208,784,000</u>	<u>183,317,000</u>
Total direct obligations.....	<u>455,076,216</u>	<u>469,373,000</u>	<u>438,085,000</u>
<u>Position Data:</u>			
Average Salary, ES positions...	\$103,000	\$106,811	\$108,947
Average Salary, GM/GS positions.....	39,500	40,960	41,667
Average grade, GM/GS positions.	8.61	8.61	8.61

ANIMAL AND PLANT HEALTH INSPECTION SERVICE

The estimates include appropriation language for this item as follows (new language is underscored; deleted matter is enclosed in brackets):

Salaries and Expenses:

For expenses, not otherwise provided for, including those pursuant to the Act of February 28, 1947, as amended (21 U.S.C. 114b-c), necessary to prevent, control, and eradicate pests and plant and animal diseases; to carry out inspection, quarantine, and regulatory activities; to discharge the authorities of the Secretary of Agriculture under the Act of March 2, 1931 (46 Stat. 1468; 7 U.S.C. 426-426b); and to protect the environment, as authorized by law, [\$432,900,000,] \$438,085,000, of which [\$83,362,000] \$91,460,000 shall be derived from user fees deposited in the Agricultural Quarantine Inspection User Fee Account, and of which \$5,000,000 shall be available for the control of outbreaks of insects, plant diseases, animal diseases and for control of pest animals and birds to the extent necessary to meet emergency conditions: Provided, That [\$500,000 of the funds for control of the fire ant shall be placed in reserve for matching purposes with States which may come into the program:] if the demand for Agricultural Quarantine Inspection (AQI) user fee financed services is greater than expected and/or other uncontrollable events occur, the Agency may exceed the AQI User Fee limitation by up to 10 percent, provided such funds are available in the Agricultural Quarantine Inspection User Fee Account, and with notification to the Appropriations Committees: Provided further, That no funds shall be used to formulate or administer a brucellosis eradication program for the current fiscal year that does not require minimum matching by the States of at least 40 per centum: Provided further, That this appropriation shall be available for field employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed \$40,000 shall be available for employment under 5 U.S.C. 3109: Provided further, That this appropriation shall be available for the operation and maintenance of aircraft and the purchase of not to exceed four, of which two shall be for replacement only: Provided further, That, in addition, in emergencies which threaten any segment of the agricultural production industry of this country, the Secretary may transfer from other appropriations or funds available to the agencies or corporations of the Department such sums as he may deem necessary, to be available only in such emergencies for the arrest and eradication of contagious or infectious disease or pests of animals, poultry, or plants, and for expenses in accordance with the Act of February 28, 1947, as amended, and section 102 of the Act of September 21, 1944, as amended, and any unexpended balances of funds transferred for such emergency purposes in the next preceding fiscal year shall be merged with such transferred amounts[: Provided further, That none of these funds shall be used to develop, establish, or operate any user fee program for agricultural quarantine and inspection to prevent the movement of exotic pests and diseases from Hawaii and Puerto Rico as authorized by 31 U.S.C. 9701: Provided further, That none of these funds shall be used to pay the salary of any Department veterinarian or Veterinary Medical Officer who, when conducting inspections at horse shows, exhibitions, sales, or auctions under the Horse Protection Act, as amended (15 U.S.C. 1821-1831), relies solely on the use of digital palpation as the only diagnostic test to determine whether or not a horse is sore under such Act].

The first change eliminates the language that places funds in reserve for the imported fire ant control matching program. The FY 1994 budget does not provide funds for an imported fire ant program.

The second change provides for the Agricultural Quarantine Inspection User Fee program to exceed any budget limitations by up to 10 percent should demand for services and revenues warrant.

The third change eliminates language which would restrict the Secretary from spending appropriated funds for the development of agricultural quarantine and inspection program user fees for Hawaii and Puerto Rico.

The fourth change eliminates language which would restrict funds being used to pay salaries of Department employees using specific diagnostic tests to determine if a horse has been sore. This language is unnecessary because APHIS already has in place a policy of using a combination of diagnostic means to determine soreness in horses.

ANIMAL AND PLANT HEALTH INSPECTION SERVICE

SALARIES AND EXPENSES

Appropriations Act, 1993.....	\$432,900,000
Budget Estimate, 1994.....	<u>438,085,000</u>
Increase in Appropriations.....	<u>+5,185,000</u>

Adjustments in 1993:

Appropriations Act, 1993.....	432,900,000	
Activities transferred per		
Secretary's transfer authority.....	<u>-212,000</u>	
Adjusted Base for 1993		432,688,000
Budget Estimate, 1994.....		<u>438,085,000</u>
Increase over adjusted 1993.....		<u>+5,397,000</u>

SUMMARY OF INCREASES AND DECREASES
(On basis of adjusted appropriation)

<u>Item of Change</u>	<u>1993 Estimated</u>	<u>Pay Costs</u>	<u>Other Changes</u>	<u>1994 Estimated</u>
Agricultural quarantine inspection-appropriated.	\$22,717,000	+\$571,000	+\$1,262,000	\$24,550,000
Agricultural quarantine inspection-user fees....	83,362,000	+1,546,000	+6,552,000	91,460,000
Foot and mouth disease...	3,891,000	+11,000	+195,000	4,097,000
Import-export inspection.	8,000,000	+88,000	-2,951,000	5,137,000
International programs...	4,675,000	+49,000	+1,175,000	5,899,000
Mediterranean fruit fly..	10,213,000	+69,000	+45,000	10,327,000
Mexican fruit fly.....	1,700,000	+27,000	+573,000	2,300,000
Screwworm.....	34,645,000	+86,000	+158,000	34,889,000
Pest detection.....	3,976,000	+51,000	-540,000	3,487,000
Biocontrol.....	4,599,000	+124,000	+3,481,000	8,204,000
Boll weevil.....	13,135,000	+92,000	-3,361,000	9,866,000
Brucellosis.....	33,000,000	+265,000	-1,872,000	31,393,000
Cattle ticks.....	6,172,000	+106,000	-1,623,000	4,655,000
Golden nematode.....	862,000	+13,000	-209,000	666,000
Grasshopper-Mormon cricket.....	6,350,000	+53,000	-2,764,000	3,639,000
Honey bee pest.....	531,000	+10,000	-156,000	385,000
Imported fire ant.....	3,698,000	--	-3,698,000	--
Noxious weeds.....	625,000	+3,000	-147,000	481,000
Pink bollworm.....	2,292,000	+24,000	-1,238,000	1,078,000
Pseudorabies.....	4,143,000	+16,000	-671,000	3,488,000
Russian wheat aphid.....	2,400,000	--	-2,400,000	--
Scrapie.....	846,000	+33,000	+2,590,000	3,469,000
Sweetpotato whitefly....	3,000,000	+48,000	+510,000	3,558,000
Tuberculosis.....	3,860,000	+35,000	+1,712,000	5,607,000

¹ Reflects the FY 1993 transfer of \$212,000 pursuant to the authority provided by the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriation Act, 1993. This authority provided that the Secretary of Agriculture could transfer salaries and expenses funds to meet workload requirements.

<u>Item of Change</u>	<u>1993 Estimated</u>	<u>Pay Costs</u>	<u>Other Changes</u>	<u>1994 Estimated</u>
Witchweed.....	5,386,000	+41,000	-1,295,000	4,132,000
ADC methods development..	9,517,000	+121,000	-139,000	9,499,000
Biotechnology/ environmental protection.....	7,652,000	+84,000	-85,000	7,651,000
Integrated systems acquisition project.....	2,507,000	--	+2,505,000	5,012,000
Veterinary biologics.....	9,729,000	+182,000	+654,000	10,565,000
Veterinary diagnostics...	14,335,000	+163,000	+635,000	15,133,000
Other.....	<u>124,870,000</u>	<u>1,756,000</u>	<u>+832,000</u>	<u>127,458,000</u>
Total Available.....	<u>432,688,000</u>	<u>+5,667,000</u>	<u>-270,000</u>	<u>438,085,000</u>

PROJECT STATEMENT
(On Basis of Appropriation and Available Funds)

Project	1992 Actual		1993 Estimated		Increase or Decrease	1994 Estimated	
	Amount	Staff- Years	Amount	Staff- Years		Amount	Staff- Years
1. Pest and Disease Exclusion:							
(a) Agricultural quarantine inspection (Appropriated).....	\$20,397,281	502	\$22,717,000	570	1,833,000	24,550,000	600
(b) Agricultural quarantine inspection (User fees).....	85,355,907	1,474	83,362,000	1,566	8,098,000	91,460,000	1,604
(c) Foot-and-mouth disease.....	3,884,938	13	3,891,000	11	206,000	4,097,000	11
(d) Import-Export inspection.....	10,930,836	218	8,000,000	156	-2,863,000	5,137,000	91
(e) International programs.....	4,396,993	41	4,675,000	48	1,224,000	5,899,000	50
(f) Mediterranean fruit fly exclusion.....	10,308,341	84	10,213,000	73	114,000	10,327,000	73
(g) Mexican fruit fly exclusion...	1,761,252	24	1,700,000	24	600,000	2,300,000	25
(h) Screwworm.....	33,959,016	91	34,645,000	91	244,000	34,889,000	91
Total, Pest and Disease Exclusion.....	170,994,564	2,447	169,203,000	2,539	(1) 9,456,000	178,659,000	2,545
2. Plant and Animal Health Monitoring:							
(a) Animal health monitoring & surveillance.....	59,742,624	659	59,632,000	657	1,052,000	60,684,000	657
(b) Animal and plant health regulatory enforcement.....	5,904,459	141	5,790,000	131	132,000	5,922,000	129
(c) Fruit fly detection.....	3,685,250	51	3,941,000	51	59,000	4,000,000	51
(d) Pest detection.....	3,969,806	69	3,976,000	62	-489,000	3,487,000	53
Total, Plant and Animal Health Monitoring.....	73,302,139	920	73,339,000	901	(2) 754,000	74,093,000	890
3. Pest and Disease Management:							
(a) Animal damage control operations.....	25,644,773	504	25,612,000	525	605,000	26,217,000	525
(b) Biocontrol.....	5,140,979	120	4,599,000	112	3,605,000	8,204,000	126
(c) Boll weevil.....	12,016,251	119	13,135,000	104	-3,269,000	9,866,000	95
(d) Brucellosis.....	32,120,031	290	33,000,000	287	-1,607,000	31,393,000	255
(e) Cattle ticks.....	5,968,385	131	6,172,000	138	-1,517,000	4,655,000	110
(f) Golden nematode.....	860,657	20	862,000	15	-196,000	666,000	13
(g) Grasshopper and Mormon cricket.....	3,844,002	36	3,850,000	57	-211,000	3,639,000	55
(h) Grasshopper and Mormon cricket: no-year.....	4,121,876	-	2,500,000	-	-2,500,000	-	-
(i) Gypsy moth.....	5,139,958	109	5,148,000	104	120,000	5,268,000	104
(j) Honeybee pests.....	540,173	4	531,000	10	-146,000	385,000	8
(k) Imported fire ant.....	3,410,186	30	3,698,000	28	-3,698,000	-	-
(l) Miscellaneous plant disease.....	2,954,418	30	1,988,000	39	33,000	2,021,000	39
(m) Noxious weeds.....	818,723	12	625,000	4	-144,000	481,000	3
(n) Pink bollworm.....	2,792,000	23	2,292,000	26	-1,214,000	1,078,000	18
(o) Pseudorabies.....	3,771,116	34	4,143,000	50	-655,000	3,488,000	33
(p) Russian wheat aphid.....	2,396,261	12	2,400,000	12	-2,400,000	-	-
(q) Salmonella enteritidis.....	-	-	3,400,000	48	54,000	3,454,000	48
(r) Scrapie.....	954,682	14	846,000	15	2,623,000	3,469,000	32
(s) Sweet potato whitefly.....	-	-	3,000,000	44	558,000	3,558,000	47
(t) Tuberculosis.....	3,153,242	37	3,860,000	56	1,747,000	5,607,000	56
(u) Witchweed.....	5,377,609	80	5,386,000	65	-1,254,000	4,132,000	32
Total, Pest and Disease Management.....	121,025,322	1,605	127,047,000	1,739	(3) -9,466,000	117,581,000	1,599
4. Animal Care:							
(a) Animal welfare.....	9,093,908	176	9,188,000	177	190,000	9,378,000	177
(b) Horse protection.....	353,405	8	358,000	8	8,000	366,000	6
Total, Animal Care.....	9,447,313	184	9,546,000	185	(4) 198,000	9,744,000	183
5. Scientific and Technical Services:							
(a) Animal control methods development.....	9,502,174	142	9,517,000	127	-18,000	9,499,000	125
(b) Biotechnology environmental protection.....	7,503,351	60	7,652,000	95	-1,000	7,651,000	92
(c) Integrated systems acquisition project.....	1,077,994	-	2,507,000	5	2,505,000	5,012,000	17
(d) Plant methods development labs.....	5,172,912	93	5,025,000	106	123,000	5,148,000	107
(e) Veterinary biologics.....	9,675,802	192	9,729,000	190	836,000	10,565,000	191
(f) Veterinary diagnostics.....	14,807,668	175	14,335,000	173	798,000	15,133,000	173
Total, Scientific and Technical Services.....	47,739,901	662	48,765,000	696	(5) 4,243,000	53,008,000	705

Project	1992 Actual		1993 Estimated		Increase or Decrease	1994 Estimated	
	Amount	Staff- Years	Amount	Staff- Years		Amount	Staff- Years
6. Contingencies: plant and animal diseases and pests.....	5,653,150	28	5,000,000	50	—	5,000,000	25
7. Transfer to the Office of the Secretary.....	-98,000	—	-212,000	—	212,000	—	—
Unobligated balance available start-of-year.....	-17,368,000	—	—	—	—	—	—
Unobligated balance available end-of-year.....	22,519,000	—	—	—	—	—	—
Unobligated balance expiring.....	1,025,000	—	—	—	—	—	—
Total, Available or estimate, salaries and expenses.....	434,240,389	5,846	432,688,000	6,110	5,397,000	438,085,000	5,947
8. Transfer to the Office of the Secretary.....	98,000	—	212,000	—	-212,000	—	—
Total, Appropriation, salaries and expenses.....	434,338,389	5,846	432,900,000	6,110	5,185,000	438,085,000	5,947
9. CCC Transfers: Fruit fly and Asian gypsy moth.....	17,382,670	98	25,860,000	—	-25,860,000	—	—
10. From FNS for cattle ticks.....	10,825,000	—	10,825,000	—	-10,825,000	—	—
11. Advances and reimbursements:							
(a) Federal.....	7,715,000	67	7,457,000	67	11,235,000	18,692,000	72
(b) Non-Federal.....	21,120,144	180	33,086,000	300	-4,603,000	28,483,000	398
Total, Advances and reimbursements.....	28,835,144	247	40,543,000	367	6,632,000	47,175,000	470
Total, Available or estimate a/.....	491,381,203	6,191	510,128,000	6,477	-24,868,000	485,260,000	6,417

a/ The figures in the project statement do not include carryover funds and transfers as follows:

No-Year and Emergency Programs

Project	1992 Actual	1993 Carry-Over	1993 Appropriated	1993 Available
(a) Animal damage control.....	5,169,446	--	--	--
(b) Grasshopper/Mormon Cricket reserve fund.....	4,121,876	14,060,012	2,500,000	16,560,012
(c) Contingency funds.....	5,653,150	2,929,500	5,000,000	7,929,500
(d) Fruit flies.....	8,187,449	1,281,926	25,860,000	27,141,926
(e) Pseudorabies.....	463,736	495	--	495
(f) Asian Gypsy Moth.....	8,900,535	1,054,679	--	1,054,679
(g) Salmonella enteritidis.....	296,686	97,691	--	97,691
(h) ISAP.....	1,077,994	1,429,006	2,507,000	3,936,006
(i) Boll weevil.....	--	--	13,135,000	13,135,000
(j) 10% of Screwworm.....	--	--	3,465,000	3,465,000
Total.....	33,870,872	20,853,309	52,467,000	73,320,309

EXPLANATION OF PROGRAM

The Animal and Plant Health Inspection Service (APHIS) was established on April 2, 1972, pursuant to the authority of the Reorganization Plan No. 2 of 1953.

APHIS conducts cooperative programs with State and local agencies and organizations to control, eradicate, and prevent the movement of plant and animal diseases and pests. Inspection and regulatory programs prevent the introduction into the United States of pests and diseases of foreign origin and the spread of established pests within the country. Under the Federal Noxious Weed Act of 1974, the Agency carries out survey, regulatory, and control actions to protect American agriculture from the invasion and interstate spread of noxious weeds. APHIS, under the Endangered Species Act, regulates the import and export of designated endangered plant species and ensures that cooperative Federal-State pest control programs which utilize pesticides will not adversely affect endangered species. Under the Virus-Serum-Toxin Act, APHIS carries out activities to prevent the production and distribution of worthless, contaminated, dangerous, or harmful veterinary biologics. Under the authority of the Animal Welfare Act as amended, the Agency conducts activities to ensure that certain animals intended for use in research or for exhibition purposes are provided with humane care and treatment, to assure humane treatment of animals during transportation in commerce, and to prevent the sale or use of animals which have been stolen. APHIS, under the authority of the Horse Protection Act, works to prevent the interstate movement or exhibition of horses which have been "sored." Under the Swine Health Protection Act, the Agency conducts a Federal-State program to control the feeding of raw food waste to swine. APHIS, under the authority of the Animal Damage Control Act of 1931, researches and carries out cooperative programs to control wildlife-caused losses to agriculture, safety hazards at airports, and public nuisances in a variety of areas. APHIS, under authority of the Plant Pest Act, Plant Quarantine Act, and Virus-Serum-Toxin Act coordinates the development and implementation of the Department's regulation and evaluation of applications of a number of biotechnologically derived products for test permits and commercial licenses.

The APHIS "Salaries and Expenses" appropriation and user fees fund the following activities:

1. Pest and Disease Exclusion Programs -- APHIS carries out inspections at U.S. ports-of-entry to prevent the introduction of foreign plant and animal pests and diseases which are harmful to our country's agriculture. APHIS develops and conducts preclearance programs to ensure that foreign agricultural products destined for the United States do not present a risk to U.S. agriculture. APHIS engages in cooperative programs to control pests of imminent concern to the United States and to strengthen foreign plant protection and quarantine organizations. APHIS also certifies plants and plant products for export and regulates imports and exports of designated endangered plant species. APHIS assists U.S. exporters and the Foreign Agricultural Service in revising foreign plant and animal import regulations to encourage and increase U.S. agricultural exports.

The statutory authority supporting this program is contained in 7 U.S.C. 148 and 150aa-150jj; 19 U.S.C. 1306; and 21 U.S.C. 102, 111-120, 121-123, 127, and 135-135b. The principal legislative authorities for these activities include the Organic Act of 1944, as amended by P.L. 94-231, enacted March 15, 1976; the Plant Quarantine Act of 1912; and the Mexican Border Act of 1942. The Department's enforcement responsibilities for endangered plants are contained in the Endangered Species Act of 1973. The Airport and Airways Development Act, P.L. 94-353, Section 15(c), was enacted July 12, 1976. Section 2509 of the Food, Agriculture, Conservation, and Trade Act (Farm Bill) of 1990 as amended by Section 1203 of the 1991 Budget Reconciliation Bill authorizes user fees for agricultural quarantine inspection and import-export inspection. The activities carried out in the pest and disease exclusion programs are as follows:

- Agricultural Quarantine Inspection (AQI) - The purpose of the AQI program is to protect American agriculture from exotic pests and diseases and to facilitate the entry of United States agricultural

products into international markets. The program carries out its mission by inspecting the increasing amount of cargo and international air and sea passengers at ports-of-entry and pre-clearance stations. The AQI program also conducts inspections of cargo and people at the Mexican and Canadian borders. Each person, bag, carrier, or cargo item, entering this country could potentially carry exotic pests capable of causing a major outbreak. APHIS continues to implement innovative inspection techniques such as X-ray machines and detector dog teams to handle the increasing workload. The use of X-ray technology for passenger baggage has increased efficiency in passenger inspections. The detector dog teams are used at international airports and post offices for baggage and package inspections and have a success rate of 80 percent in finding concealed regulated items.

Foot-and-Mouth Disease (FMD) - The purpose of the FMD program is to prevent the disease in South America from entering Panama, Central America, Mexico, and the United States. An FMD eradication program carried out through a cooperative agreement, is continuing in Colombia. The program has remained successful in maintaining the area immediately adjacent to Panama free of FMD since 1984. Program methods include surveillance, inspection, quarantine, vaccination, and emergency preparedness. Cooperative FMD prevention agreements, using surveillance, disease investigation, and emergency preparedness are being maintained with Mexico, Panama, and all of the Central American countries. In addition, the Mexico program conducts prevention activities for all foreign animal diseases including African horsesickness, African swine fever, and avian influenza. The Mexico and Panama programs are maintaining high containment diagnostic laboratories. FMD is one of the most costly multi-host animal diseases. Estimates show that 15-year losses of more than \$20 billion could occur if FMD were to re-enter the United States.

Import/Export Inspection:

Import Animals - This program assures that all imported animals, including birds and poultry, are free of infectious diseases. Principal methods include inspection, testing, and certification of imported animals; inspection and approval of zoos, conveyance means, slaughter establishments, and ports-of-entry; quarantine and testing of imported animals; maintenance of animal import centers in Newburgh, New York; Miami, Florida; Honolulu, Hawaii; and Key West, Florida; authorization or operation of quarantine facilities for birds, horses, and sheep; and the interception of smuggled animals.

Import Animal Semen and Embryos - The animal germplasm import program is designed to establish strict standards for the collection, handling, and shipping of animal semen and embryos to prevent the entry of infectious animal diseases. APHIS verifies health certificates of donor animals, ensures that semen and embryos are identified and handled in a prescribed manner, and issues import permits for semen and embryo shipments.

Export Animals - The goal of the export animals program is to ensure that all inspections of livestock, live poultry, and hatching eggs exported from the United States, and certifications of freedom from contagious diseases, comply with U.S. Department of Agriculture (USDA) health agreements with importing countries. This function is vital to the protection and expansion of the U.S. animal export market, which was valued at approximately \$6 billion for FY 1991. Since FY 1992, user fees have financed testing and certification of exported live animals.

FY 1993 import-export program plans include: (1) continued development of a national center for the import and export of animals and animal products; (2) continued development of new protocols for camelids, deer, water buffalo, swine, wild ruminants, and various species of zoo animals; (3) negotiation of changes in export protocols to lessen testing and certification requirements for U.S. livestock and poultry exporters; (4) continuation of regulation changes regarding fetal

bovine serum imported from FMD countries; (5) review and proposal of changes in regulations for importing animal byproducts; (6) proposal of regulations to import cooked meat and dried, cured pork products from countries affected by FMD and other exotic animal diseases; (7) changing requirements for importation of domestic ruminants and pigs and for privately-owned import and quarantine facilities for horses; and (8) implementation of user fees to finance testing and certification of exported live animals.

International Programs - The objective of International Programs is to protect and promote United States agriculture by actively addressing pest and disease problems at their origin rather than waiting for them to arrive at our ports-of-entry and borders. Through International Programs APHIS maintains a presence in countries that are significant agricultural trading partners and may also be potential sources of economically dangerous agricultural pests and diseases. APHIS personnel at overseas locations, either on permanent assignment or short-term detail, provide an effective first line of defense against the entry of foreign plant and animal diseases and pests into our country. Their presence also facilitates the export of United States agricultural products, and promotes the exchange of science and technology in animal and plant health, by identifying and eliminating agricultural non-tariff trade barriers. They provide a timely link to sanitary and phytosanitary surveillance and up-to-date diagnostic and disease/pest control strategies practiced by countries dealing with those conditions.

Mediterranean Fruit Fly (Medfly) - The objective of the program is to prevent sustained Medfly infestations from occurring in the continental United States, Virgin Islands, Puerto Rico, Mexico, and north of the 16° N. latitude in Central America. The Medfly, which is found throughout most of Central America, is one of the world's most destructive pests of fruits and vegetables. It is capable of becoming established in fruit and vegetable growing regions in the continental United States. Approximately 80 percent of United States citrus production is susceptible to Medfly. The presence of Medfly in Mexico would pose a serious threat to the United States, due to Mexico's location and its importance as a major source of winter fruits and vegetables for the United States. APHIS is currently eradicating a localized outbreak that was detected in California in FY 1992. APHIS with some assistance from Hawaii and California, constructed a sterile fruit fly rearing facility in Waimanalo, Hawaii. The facility is capable of supplying 500 million sterile flies per week for emergency eradication programs. APHIS provides approximately 50 million pupae per week in support of the ARS eradication test project on Kauai, Hawaii. The project is an effort to develop effective, environmentally acceptable Medfly eradication technologies. Almost 36 billion Medflies were produced in rearing facilities in Mexico and Guatemala for the cooperative Moscamed program. This joint program with Mexico and Guatemala protects the United States by preventing the northward spread of Medfly into Mexico.

Mexican Fruit Fly (MFF) - The MFF, an insect pest of more than 40 species of fruit, periodically occurs in the United States, primarily in the lower Rio Grande Valley in southern Texas. Other citrus growing States such as Arizona, California, and Florida are vulnerable to MFF infestations either by migration of these flies across the northwestern border with Mexico, or from infested fruit being shipped to or through these States. Consequently, the program maintains suppression activities in the northwestern region of Mexico and regulatory programs in the Lower Rio Grande Valley and adjacent portions of Mexico. Additional regulatory and suppression activities in the lower Rio Grande Valley in southern Texas provide protection for the United States citrus industry. APHIS also successfully eradicated an outbreak in California in FY 1992.

A recent study by APHIS reveals that annual producer and trade costs would range from \$644 to \$658 million, if MFF were to become established in the United States. Projected losses to United States consumers could potentially reach \$488 million annually.

Screwworm - Screwworm eradication began as an experimental project in Florida during the 1950's. The program was so successful that by 1966 the United States was declared screwworm-free. Continued reintroduction from Mexico led to a 1972 cooperative agreement to eradicate the pest from Mexico and establish a permanent barrier at the Isthmus of Tehuantepec. The program reached that barrier in 1984. However, large cattle movements from infested areas further south resulted in a high risk of reinfestation. A Memorandum of Understanding signed in January 1987, allowed the Screwworm Commission to move the barrier farther south.

The goal of the Screwworm program is to prevent the reintroduction of the parasitic screwworm into the United States by eradicating this insect in Mexico and Central America and establishing a permanent sustainable sterile fly barrier in Panama. In 1985, APHIS conducted a feasibility study of screwworm eradication in Central America. This study identified the Isthmus of Panama and the Guatemala/Honduras border as cost-beneficial locations for a permanent, sustainable sterile fly barrier.

Mexico was declared screwworm-free on February 25, 1991. On January 22, 1992, a mature screwworm larvae was collected in the Mexican State of Campeche. Subsequently, 60 more positive samples were reported in the southern Mexican States of Campeche, Chiapas, Tabasco, Veracruz, and the northern State of Tamaulipas near Ciudad Victoria which is only 121 miles south of the United States-Mexican border. Smuggled importation of cattle has been identified as the probable source of the infestations. Future activities will focus on Central America. APHIS is developing new cooperative agreements between the United States and individual Central American countries as the barrier progresses. Currently, the program is carrying out eradication activities in Guatemala, Belize, El Salvador, Honduras, and Nicaragua. Cooperative agreements with Costa Rica and Panama are expected to be signed in calendar year 1993.

The levels of pest and disease exclusion activities are shown by the selected examples that follow:

Program	1992 Actual	1993 Estimated	1994 Estimated
agricultural quarantine inspection:			
Passenger inspections (millions).....	55	57	59
Pest interceptions (thousands).....	52	53	54
Plant and animal product and byproduct inspection:			
Airplanes (thousands).....	353	400	450
Vessels (thousands).....	48	53	57
Plant units processed (millions).....	408	445	485
Regulated and miscellaneous cargo inspections conducted (thousands).....	1,018	1,200	1,350
Phytosanitary export certification:			
Certificates issued (thousands).....	260	275	300
Interceptions (thousands):			
Unauthorized plant material.....	1,648	1,655	1,665
Unauthorized animal products/byproducts.....	249	251	254
Unauthorized material:			
Mail.....	4,500	4,700	4,900
Baggage.....	1,219	1,250	1,300
Intercepted endangered plant species:			
Seized and placed into rescue centers.....	12,896	12,896	12,896
Seized and returned to country of export.....	2,415	2,415	2,415
Number of shipments of plants seized:			
Rescue centers.....	917	917	917
Returned to country of export.....	13	13	13

Program	1992 Actual	1993 Estimated	1994 Estimated
Foot-and-mouth disease:			
Exotic animal disease investigations in Mexico:			
Total investigations.....	2,936	780	300
Livestock investigations (excluding rabbits).....	231	200	200
Investigations on rabbits.....	2,705	580	100
Vesicular disease investigations:			
in Panama.....	19	20	20
in Colombia.....	506	400	400
in Central America.....	141	145	145
in Mexico.....	75	75	75
Laboratory samples processed:			
in Mexico (excluding rabbits).....	854	1,000	1,200
in Mexico (total).....	28,663	11,000	2,200
in Panama.....	247	250	250
Port-Export program:			
Import inspection:			
Animals (thousands).....	2,720	3,300	3,500
Personally owned pet birds.....	1,442	1,750	1,000
Commercial birds.....	271,913	280,000	100,000
Poultry (baby chick and poults - thousands).....	6,721	7,600	7,600
Poultry hatching eggs (thousands).....	19,999	20,000	21,000
Bovine, sheep, and equine semen.....	338,302	750,000	760,000
Bovine embryos.....	347	420	450
Export inspection:			
Cattle, swine, sheep, goats, and horses.....	1,280	1,560	1,500
Poultry (thousand).....	32,282	41,000	55,000
Dozens of hatching eggs (thousands).....	27,664	32,000	32,000
Bull semen (thousands).....	2,609	3,500	3,500
Bovine embryos.....	2,614	23,000	20,000
Mediterranean fruit fly:			
Sterile insects released (millions):			
California.....	1,126	15,000	-
Hawaii.....	1,675	2,600	2,600
Guatemala.....	19,932	18,800	18,000
Mexico.....	8,720	11,000	13,000
Sterile insects produced (millions):			
Guatemala.....	8,387	8,500	10,000
Mexico.....	27,558	27,500	27,500
Jackson traps serviced by USDA (thousands):			
Mexico.....	21,208*	20,000*	20,000*
*Includes 9,101 traps serviced by the U.S.-Mexico cooperative Medfly program			
Mexican fruit fly:			
Sterile insects released: (millions)			
Northwest Mexico.....	629	936	1,518
Northeast Mexico.....	44	44	44
California.....	1,107	-	-
Texas.....	227	420	1,040
McPhail traps serviced by USDA:			
Mexico.....	4,225	4,500	6,600*
*Includes 2,100 traps serviced cooperatively by Chihuahua			
ScREWORM:			
Cases in the United States.....	-	-	-
Cases in Mexico.....	61	1	-
Cases in Guatemala.....	281	2	-
Cases in Belize.....	8	-	-
Cases in El Salvador.....	4,350	859	400
Cases in Honduras.....	1,197	623	311
Cases in Nicaragua.....	232	6,864	4,728
Cases in Costa Rica.....	-	-	500
Sterile fly production - Tuxtla Gutierrez, Mexico (millions/week).....	260	250	300

Plant and Animal Health Monitoring Programs -- The plant and animal health monitoring programs are primarily cooperative efforts of the Federal and State governments, and industry. APHIS conducts programs to prevent communicable plant and animal diseases of foreign origin from entering the United States. Upon entrance into this country, the pests and diseases are promptly diagnosed. The Agency also carries out surveys in cooperation with the States to detect harmful plant and animal pests and diseases. The programs also help determine if there is a need to establish new pest or disease eradication programs.

statutory authority for this work is contained in 7 U.S.C. 15, 17, 30, 391, 429, and 3801; 15 U.S.C. 44; 19 U.S.C. 4; 21 U.S.C. 4, 5, and 45; .S.C. 15; and 49 U.S.C. 20. Principal legislative authority for these vities is contained in the Act of May 29, 1884; Act of August 30, 1890; of February 2, 1903; Act of March 3, 1905; Act of June 17, 1930; Act of ember 21, 1944; Act of February 28, 1947; Act of September 6, 1961; Act uly 2, 1962; and Public Law 97-46 of September 25, 1981; Act of October 1982; Act of January 13, 1983; P.L. 99-198 of December 23, 1985.

Animal Health Monitoring and Surveillance (AHMS) - The goal of the AHM&S program is to maintain the capability for consistent disease surveillance and detection, emergency disease preparedness and response, animal health monitoring, and epidemiological delivery. The Agency conducts disease surveillance and detection for brucellosis, pseudorabies, tuberculosis, and selected domestic swine and poultry diseases such as velogenic viscerotropic Newcastle disease (VVND), avian influenza (AI), Salmonella enteritidis (SE), chlamydiosis (psittacosis-ornithosis), hog cholera, African Swine Fever, and FMD. APHIS carries out the control and eradication of animal pests through prompt detection, assessment, and appropriate response to incursions and epidemics.

In order to respond to foreign animal disease (FAD) outbreaks in livestock and poultry populations, the Agency has four Regional Emergency Animal Disease Eradication Organizations. These organizations, along with a cadre of Foreign Animal Disease Diagnosticians are ready to respond when a FAD is diagnosed.

APHIS directs successful animal health monitoring which requires national surveys of various animal populations to determine how operational practices of producers affect animal health and productivity. Statistically reliable data is disseminated regarding the incidence, trends, and economic impact of diseases of food animals. The information is used to improve the health of livestock and poultry through a variety of approaches including improved management practices, specific treatments, and prevention strategies.

The Agency defines and predicts the health and economic consequences of animal disease events and suggests appropriate responses. Also, it maintains the capability for disease investigations, risk assessment and management, disease prevention, analysis of animal health and production statistics, information dissemination, and coordination of activities with State animal health officials and other Federal agencies, diagnostic laboratories, and public health officials. APHIS collects and analyzes epidemiological data and serves as an information distribution center for State livestock agencies, industry, and the general public.

FY 1993 program plans include: surveillance and detection for all of the aforementioned diseases; supporting the National Animal Health Monitoring System (NAHMS) and the Veterinary Diagnostic Laboratory Reporting System (VDLRS); supporting the National Poultry Improvement Plan (NPIP), the U.S. Sanitation Monitored program, and the Model State Poultry Disease Prevention program; and enforcing and monitoring the Swine Health Protection (SHP) Act. APHIS will carry out the NAHMS and VDLRS by (1) enhancing surveillance and response capability and risk assessment techniques for FAD incursions and animal health issues affecting U.S. agricultural productivity and competitiveness; (2) analyzing and interpreting NAHMS national dairy heifer evaluation study data and disseminating results; (3) implementing NAHMS cow/calf health and productivity assessment in 18 States with collection of baseline information on spring calving success for 1993; (4) disseminating additional findings from NAHMS national swine survey through collaboration with professional and industry organizations and Extension Service; and (5) expanding the VDLRS to compile diagnostic laboratory data from at least eight additional States and laboratories, and report disease trends and new developments quarterly.

In FY 1993, the Agency will continue to provide a voluntary cooperative State-Federal-industry program that will improve poultry and poultry products which are wholesome and where egg-transmitted diseases are controlled using latest research and technology. Also, APHIS will continue to conduct national surveillance to prevent the entry and spread of VVND, AI, and exotic SE (Phage Type 4), and provide technical advice to the industry on diseases of economic importance. For the pseudorabies program, the Agency will continue to conduct testing and surveillance to measure each State's progress through all five eradication stages.

APHIS will complete work towards amending the SHP Act to establish immediate Primary Enforcement Responsibility (PER) when States voluntarily relinquish PER authority. Presently, APHIS assumes PER upon emergency declaration by the Secretary or when a State cannot adequately enforce the SHP Act. APHIS will increase the frequency of inspections to at least quarterly and more often in cases where facilities are inspected and found to have chronic deficiencies. The Agency will also increase search efforts for unlicensed food waste feeders by cooperating with Federal, State, and local government agencies that conduct public health inspections of food preparation establishments. APHIS will conduct several regional training courses to familiarize veterinarians and animal health technicians with the SHP Act and their responsibilities in the swine health protection program.

Ongoing efforts to protect the Class Free States from becoming reinfected with brucellosis will continue. The Agency will continue to provide industry with technical support necessary to control and eradicate domestic endemic diseases of economic importance and to promote the export of animals and germplasm. Primary program tools include the traceback and testing of cattle herds from which infected animals were identified at slaughter, testing of suspect cattle to identify positive cases, and full epidemiological investigation to identify sources of infection and possible exposure to other herds. With the cooperation of the Food and Safety and Inspection Service, APHIS plans to further increase the rate of submissions of tuberculosis (TB)-like lesions found during inspections at slaughter. A greater submission rate would aid in the goal of locating new herds through tracebacks.

During FY 1993, Uniform Methods and Rules will go into effect for TB in deer and elk to include using slaughter surveillance methods to identify TB in deer and elk herds.

Animal and Plant Health Regulatory Enforcement - The goal of this program is to provide regulatory support to APHIS programs, and to provide technical advice and assistance to program officials in the interpretation and application of the Federal laws and regulations coming under the jurisdiction of the Agency. The Agency conducts preliminary investigations in order to determine if Federal laws or regulations have been violated. APHIS officials review the investigations, and if necessary, submit cases to the Office of the General Counsel for criminal or civil prosecution. The Agency continues to monitor the status of the case, help prepare witness lists, recommend professional witnesses, and serve as trial assistants to the Department attorneys.

Fruit Fly Detection - The objective of this program is to provide essential activities necessary for early detection of exotic fruit fly introductions and to prevent sustained infestations from occurring in the continental United States, Virgin Islands, and in Puerto Rico. The program provides traps, lures and equipment, as well as personnel to install and service traps for early detection of Medfly, MFF, Oriental fruit fly, melon fly, guava fruit fly, Queensland fruit fly, peach fruit fly, and other exotic fruit flies. Early detection of infestations can substantially reduce emergency funding required for eradicating larger infestations.

ANIMAL HEALTH MONITORING AND SURVEILLANCE CROSSWALK TABLE FOR FY 1992, FY 1993, AND FY 1994 (Dollars in Thousands)									
PROGRAM	FY 1992 ACTUAL	ANIMAL HEALTH MONITORING & SURVEILLANCE	FY 1992 REVISED	FY 1993 ENACTED	ANIMAL HEALTH MONITORING & SURVEILLANCE	FY 1993 REVISED	FY 1994 ESTIMATE	ANIMAL HEALTH MONITORING & SURVEILLANCE	FY 1994 REVISED
<u>Plant and Animal Health Monitoring:</u>									
Animal disease detection	16,969	(16,969)	0	16,875	(16,875)	0	17,112	(17,112)	0
<u>Pest and Disease Management:</u>									
Brucellosis	64,240	(32,120)	32,120	65,000	(32,000)	33,000	63,980	(32,587)	31,393
Miscellaneous plant & animal diseases	4,188	(1,234)	2,954	3,222	(1,234)	1,988	3,275	(1,254)	2,021
National poultry improvement plan	245	(245)	0	245	(245)	0	250	(250)	0
Poultry diseases	870	(870)	0	722	(722)	0	738	(738)	0
Pseudorabies	7,542	(3,771)	3,771	8,285	(4,142)	4,143	7,648	(4,160)	3,488
Swine health protection	3,656	(3,656)	0	3,586	(3,586)	0	3,698	(3,698)	0
Tuberculosis	4,031	(878)	3,153	4,738	(878)	3,860	6,492	(885)	5,607
<u>Total, Animal Health Monitoring and Surveillance</u>	--	59,743	--	--	59,632	--	--	60,684	--

- Pest Detection - The pest detection program has three main functions. The first function is to rapidly discover foreign plant pests, thereby reducing pest control costs and preventing widespread agricultural damage. The program's second function is to provide information supporting export of U.S. agricultural products. The third function is to provide information supporting the management of pests under the authorities of laws and regulations impacting APHIS.

APHIS works in cooperation with the States in a project called the Cooperative Agricultural Pest Survey (CAPS). As part of this program, the States enter the results of plant pest surveys into a national database, the National Agricultural Pest Information System (NAPIS). Updated information entered by the States may be quickly retrieved by State Departments of Agriculture, State Land Grant Universities, and Federal Agencies. NAPIS data can support statements to foreign officials about the pest-free status of U.S. agricultural production areas and also help determine the need and effectiveness of pest eradication action programs.

The levels of plant and animal health monitoring activities are shown by the selected examples that follow:

Program	1992 Actual	1993 Estimated	1994 Estimated
Animal health monitoring and surveillance:			
National Animal Health Monitoring System:			
Number of states participating.....	28	37	39
Percent of U.S. livestock population covered:			
Dairy.....	77	86	86
Beef-cow/calf.....	43	86	86
Swine.....	82	95	98
Sheep.....	37	73	81
Reports generated.....	53	88	92
Veterinary Diagnostic Laboratory Reporting System:	16,570	21,500	23,500
Number of states participating.....			
Number of laboratories submitting data.....	16	24	28
Diseases and disease agents tracked.....	19	27	31
Exotic diseases and parasites:	21	22	22
Investigations of suspicious cases.....	240	300	300
Exotic Newcastle disease (VVND).....	1	-	-
Compliance:			
Inspections conducted at livestock markets and at other concentration points.....	14,030	14,030	14,030
Inspections conducted at slaughter establishments.....	4,162	4,164	4,164
Number of States classified as U.S. Pullorum Typhoid Clean.....	39	40	41
Number of egg- and meat-type breeding flocks in plan.....	3,846	3,850	3,860
Number of water fowl, exhibition poultry, and game bird breeding flocks in plan.....	4,547	5,500	6,000
Number of States classified as U.S. Mycoplasma Gallisepticum Clean (turkey).....	10	12	13
Number of garbage inspections.....	42,084	40,000	39,500
Number of violations of the SHP Act.....	638	575	515
Searches for unlicensed garbage feeders.....	77,355	76,582	75,817

Program	1992 Actual	1993 Estimated	1994 Estimated
Animal and plant health regulatory enforcement:			
Agricultural quarantine inspection:			
Field investigations.....	43	75	100
Formal cases.....	763	800	800
Warning notices.....	61	75	100
Stipulations.....	204	300	400
Cases sent to OGC.....	211	225	250
Animal health monitoring and surveillance:			
Field investigations.....	1,062	1,200	1,500
Formal cases.....	810	900	950
Warning notices.....	351	350	350
Stipulations.....	23	100	150
Cases sent to OGC.....	88	100	100
Animal welfare:			
Field investigations.....	754	800	850
Formal cases.....	980	1,000	1,100
Warning notices.....	620	650	700
Stipulations.....	120	150	150
Cases sent to OGC.....	107	110	120
Horse protection:			
Field investigations.....	97	150	200
Formal cases.....	29	100	100
Warning notices.....	—	—	—
Stipulations.....	—	—	—
Cases sent to OGC.....	71	100	100
<u>Salmonella enteritidis:</u>			
Field investigations.....	9	20	25
Formal cases.....	4	10	10
Warning notices.....	1	5	5
Stipulations.....	—	—	—
Cases sent to OGC.....	4	5	5
Veterinary biologics:			
Field investigations.....	32	40	50
Formal cases.....	13	20	30
Warning notices.....	11	15	20
Stipulations.....	—	—	—
Fruit fly detection:			
Traps set:			
Mediterranean.....	53,000	53,000	53,000
Melon.....	10,900	10,900	10,900
Oriental.....	20,900	20,000	20,000
Mexican.....	25,500	25,000	25,000
Total.....	110,300	108,900	108,900
Plant pest detection:			
Special area wide pest reporting projects.....	8	12	6
Pest maps developed.....	500	700	1,000
Biocontrol projects supported.....	4	4	5
Exotic species surveyed.....	20	20	20
Species distributions recorded.....	10	10	10

3. Pest and disease management programs -- In cooperation with the States, APHIS conducts programs to detect, prevent, and eradicate pests and diseases which are harmful to agriculture. The Agency monitors and regulates interstate shipments of plants, livestock, and related materials to prevent the spread of disease and the distribution of impure, unsafe, and nonefficacious materials and products. Through the Animal Damage Control program, APHIS protects agriculture from detrimental animal predators through identification, demonstration, and application of the most appropriate methods of control.

The statutory authority for this work is contained in 7 U.S.C. 2.17, 2.51, 7-7b, 8, 11, 15, 17, 30, 54, 55, 371.2, 429, and 3801-3813; 15 U.S.C. 44; 19 U.S.C. 4; 21 U.S.C. 4, 5, and 45, 111, 117, 120, 122-126, 130, 134; 46 U.S.C. 15; and 49 U.S.C. 20. Principal legislative authority for these activities is contained in the Act of May 29, 1884; Act of August 30, 1890; Act of February 2, 1903; Cattle Contagious Diseases Act of 1903, Act of March 3, 1905; Tariff Act of June 17, 1930; the Animal Damage Control Act of 1931; Act of September 21, 1944; Organic Act of 1944, as amended by P.L. 94-231, enacted March 15, 1976; Act of February 28, 1947; Act of September 6, 1961; Act of July 2, 1962; P.L. 92-629 of January 3, 1975; the Swine Health Protection Act of October 17, 1980; Public Law 97-46 of September 25, 1981;

Act of October 14, 1982; Act of January 13, 1983; P.L. 99-198 of December 23, 1985; and the Food, Agriculture, Conservation, and Trade Act (Farm Bill) of 1990. The activities carried out are as follows:

- Animal Damage Control (ADC) - The ADC program was established in 1885 as the Bureau of Biological Survey under USDA. In 1939, the program was transferred to the U.S. Department of the Interior, Fish and Wildlife Service. Pursuant to P.L. 99-190; H.J. Res. 465, 99 Cong. 1st Sess. FY 1985, ADC was transferred back to USDA and is now administered by the Animal and Plant Health Inspection Service. The goal of the ADC program is to help solve problems that are created when species of wildlife cause damage to agricultural, industrial, or natural resources; or present a threat to public health and safety. Under the authority of the Animal Damage Control Act, the program conducts research and carries out cooperative activities with other Federal, State or local agencies, organizations, or private individuals. The program helps protect agricultural and natural resources, property, or endangered species and prevents wildlife hazards at airports or other locations where there is a need to safeguard public health.
- Biocontrol - This program's goal is to implement biological control programs using parasitoids, predators, and pathogens to control agricultural pest of economic importance in a cooperative effort with Federal and State agencies. The program carries out the importation, quarantine screening, rearing, distribution, and evaluation of beneficial organisms to control pests of economic importance. Biological control is an alternative to using traditional chemicals for controlling plant pests. Public environmental concerns such as water and air quality, the potential carcinogenic effects of certain pesticides, and increasing pest resistance to pesticides have made it imperative for APHIS to continue to develop and improve upon biological control methods. APHIS works with international organizations and other Federal agencies, the States, and universities in conducting a number of biological control projects including leafy spurge, diffuse and spotted knapweed, Colorado potato beetle, Russian wheat aphid, Sweetpotato whitefly, Euonymus scale, and the European corn borer.
- Boll weevil - The boll weevil program consists of two regional eradication programs and one containment program. These programs are cooperative efforts, of which APHIS pays 30 percent of program costs and cooperators pay 70 percent.
 - High Plains Control - This program was established in 1963 to contain the spread of the boll weevil and prevent it from infesting over 4 million acres of cotton in west Texas and New Mexico.
 - Southeast Eradication - The program has eradicated the boll weevil from Virginia, North Carolina, South Carolina, most of Georgia and Florida, and portions of southern Alabama. Post eradication activities will continue in these areas to prevent reinfestation. In response to growers interest, APHIS plans to expand the eradication program into the remaining areas of Alabama, northwest Georgia, and east Tennessee. The program calls for eradication of the boll weevil from all cotton growing areas of the United States by the year 2015.
 - Southwest Eradication - The program has eradicated the boll weevil from Arizona, southern California, and northwestern Mexico, near the California border. This area is now being protected from reinfestation. The program in northern Mexico, below Arizona and near Caborca, is proceeding according to plan. The border area will be monitored to prevent reinfestation in Arizona.
- Brucellosis - The objective of the State-Federal Cooperative Brucellosis Program is to eradicate Brucella abortus from the bovine population and Brucella suis from the swine population of the United States.

For the last 3 years, the bovine program has operated under the industry supported Rapid Completion Plan (RCP). This plan would eliminate brucellosis from the United States by the end of 1998 at the current funding level. The RCP places particular emphasis on the depopulation or whole herd vaccination of affected herds and on close adherence to all provisions of the Brucellosis Uniform Methods and Rules. Major program tools include calftag vaccination, recordkeeping, and the elimination of infection from herds by depopulation.

Program plans in FY 1993 include qualifying the remaining Class B State, Texas, for advancement to Class A status, and qualifying one Class A State, Oregon, to Class Free status. Ongoing efforts to reduce the number of affected herds in Class A States will continue.

Cattle Ticks - The cattle tick program is a cooperative State-Federal-industry effort designed to prevent the reestablishment of the southern cattle tick, Boophilus microplus, in the United States, and to eradicate the southern cattle tick and the tropical bont tick, Amblyomma variegatum, in Puerto Rico.

In the continental United States, the program is concentrated along the Texas-Mexico border, where the Rio Grande river serves as a natural barrier. Animal health inspectors conduct systematic patrols and inspections on horseback, in the permanent quarantine zone along the border. In addition, all livestock crossing the border and entering or leaving the quarantine zone are examined and treated for ticks to eliminate the risk of cattle ticks becoming established in the United States.

The Puerto Rico program involves the systematic treatment of all tick-infested premises with acaricide, a pesticide used to control cattle ticks. After the treatment regimen is completed, livestock on the premises are inspected for ticks to ensure that they remain tick-free.

Program objectives for FY 1993 include maintaining a quarantine zone, systematic patrols, and inspections along the Texas-Mexico border; and, continuing the tick eradication program in Puerto Rico.

Golden Nematode - To eliminate the golden nematode from the State of New York and to prevent the spread of the nematode to other potato producing States, APHIS cooperates with the New York State Department of Agriculture, the Agricultural Research Service, the Extension Service, Cornell University, and the New York Seed Improvement Cooperative. The program enforces regulations and sanitary requirements, supports research to develop new resistant potato varieties, and encourages grower acceptance of existing resistant varieties.

Grasshopper and Mormon cricket - Preventing grasshoppers and Mormon crickets from causing significant damage to U.S. rangeland and cropland is this program's goal. APHIS accomplishes this goal by conducting surveys to determine the extent of grasshopper and Mormon cricket populations and by conducting control activities on Federal, State, and privately owned rangeland. A limited amount of cropland may be included in a control program, when it is contained within a block of rangeland. Control activities include both pesticide application and the introduction of biological control agents. A no-year fund was established in 1986 to finance control activities on rangeland and cropland. A supplemental appropriation was established in FY 1990 to fund control activities on land in the conservation reserve program (CRP).

APHIS began a 5-year grasshopper Integrated Pest Management (IPM) project in FY 1987. The IPM project was designed to find long-term, environmentally acceptable solutions to grasshopper infestations. The goal of the project is to develop working models that address the following questions: where will grasshopper outbreaks occur; what is the economic significance of the outbreaks; what are the most appropriate control strategies for the outbreaks; and what are the

appropriate control strategies for the outbreaks; and what are the economic and environmental consequences of recommended control actions? The IPM project is entering a 2-year technology transfer period during which research conducted in the last 5 years will be applied to field activities.

Gypsy moth - The goal of the gypsy moth program is to prevent the artificial spread of the pest from generally infested areas in New England, the Mid-Atlantic States and parts of Michigan and West Virginia. Further, the program prevents isolated infestations of 640 acres or less on non-Federal lands. This is accomplished by regulating the movement of outdoor household articles from generally infested areas, providing technical support in the eradication of isolated infestations, and cooperating with the States in detection surveys.

Honey bee pests - The program's objective is to promote techniques to manage the European honey bee, monitor migration of the Africanized honey bee (AHB), and provide technical assistance to cooperators and industry on the parasitic varroa and tracheal mites. Honey bee pests cause high mortality and lower production in beehives. The varroa mite attacks both adult honey bees and developing brood. The tracheal mite clogs the honey bee's breathing ducts.

Because the AHB is more defensive and less productive than European bees, it poses the most immediate danger to the beekeeping industry. During FY 1992, AHB's initially migrated from Mexico to south Texas. At the request of States and the beekeeping industry, APHIS monitors several swarm trap lines in south Texas to track the movement of AHB's. The Agency supports the national honey bee certification plan, developed by the National Association of State Departments of Agriculture (NASDA), which provides certification of honey bees, based in part on freedom from the AHB strain.

Imported fire ant (IFA) - The IFA program is established to control existing infestations and reduce artificial spread of IFA. Since its introduction into the United States in 1918, IFA has spread to 11 Southern States and Puerto Rico. In the late 1950's, the Department began working with the infested States to control IFA. At that time, the Department imposed a Federal quarantine and developed a cooperative control program designed to limit the ant's spread. However, progress was hampered when the EPA cancelled the registration of the insecticide Mirex in 1977. Since that time, EPA has not registered another product approved for widespread use on agricultural land. Currently, APHIS is cooperating with the University of Arkansas to develop methods and demonstration projects for imported fire ant control. APHIS also cooperates with infested States to prevent further spread by regulating certain articles like nursery stock and soil moving equipment. In addition, through methods development, APHIS continues to search for effective, economical, and environmentally acceptable control methods and treatments.

Miscellaneous plant diseases - APHIS responds to numerous reports of new plant pest species in the United States each year. The miscellaneous plant pest program provides the mechanisms for response to those pests, including delimiting surveys, control or eradication treatments, and restricting the movement of commodities which could spread the pest.

Noxious weeds - This program is to prevent the entry of noxious weeds into the United States from foreign countries, detect and delimit infestations of those weeds that are already in the U.S., and to eradicate incipient infestations where feasible. The Agency is authorized by the Federal Noxious Weeds Act of 1974, to carry out a program that works with State and local agencies to detect and prevent newly found or not yet widely established weeds from damaging U.S. agriculture. Program methods include port-of-entry inspections, surveys to determine the scope of infestations, eradication feasibility studies, and other control and eradication projects. The program has conducted surveys and eradication feasibility studies on crupina in

Idaho, goatsrue in Utah, itchgrass in Louisiana, and hydrilla in California and Florida. In recent years, control efforts have been directed at common crupina, goatsrue, hydrilla, Salsola vermiculata, Orobanche ramosa, and weed identification. These efforts will now be directed at Orobanche Minor and Cuscuta japonica also.

Pink bollworm - APHIS works with State agencies, grower organizations, and cotton producers to prevent pink bollworm from spreading to noninfested areas. The pest is fairly widespread in the Cotton Belt from southern California through Texas, with limited areas of infestation occurring in Arkansas and Louisiana. Arkansas was removed from quarantine in 1991, but was listed in the quarantine in 1992 because of new detections. In recent years, a few moths have been caught in Mississippi and Missouri also.

Program activities include quarantine enforcement, trapping, methods development, and operation of a sterile-moth rearing facility. Pink bollworm moths are raised, sterilized, and released in the San Joaquin Valley, California, to mate with native moths that fly in from infested areas in the south. This sterile union prevents the infestation of over 1 million acres of cotton across the valley.

Alternate methods to control the pink bollworm are being developed. The pink bollworm is a serious pest of cotton, but can reproduce on several other plant species in the United States.

Pseudorabies - APHIS participates in a cooperative Federal-State-Industry program to eradicate pseudorabies. This herpes virus causes severe economic losses in swine due to reproductive problems including abortion, stillbirth, death in neonatal pigs, pneumonia in finishing pigs, and fatality in all other domestic livestock. The program began in January 1989 and will require an estimated 10 years to complete. APHIS provides national program coordination, technical advice, recordkeeping, and public information.

The pseudorabies eradication program has been an ideal model of producer and government teamwork. The guidelines for the program are called the Pseudorabies Program Standards and were developed by APHIS, State, and industry leaders. Program participation requires the formation of a State pseudorabies committee, which consists of swine producers, animal scientists, veterinarians, and State and Federal regulatory officials, and other swine industry representatives. Participation also requires incorporating the standards into the State's regulations.

All 50 States and Puerto Rico participate in and receive Federal funds for this industry initiated program. Program progress is measured by advancement through five stages, with Stage I being the initial stage and Stage V being the final stage. Entry into Stage V requires having no infected herds and Stage I requires that the State pseudorabies committee formulate plans for a reliable determination of prevalence and seek the regulatory/legislative authority to conduct an effective control/eradication program.

Salmonella enteritidis (SE) - SE continues to be an important poultry disease and a serious public health concern. In the past several years, it has been found in a considerable number of domestic commercial egg-laying chicken flocks and has contaminated commercial table eggs, causing human illness and deaths. The primary goal of the SE traceback program is to reduce the spread of the disease as well as the human illnesses and deaths caused by egg-related SE. Since the program began in 1990, 187 SE outbreaks in humans have been reported, involving at least 2,500 cases and 6 deaths. Of this total, 54 were egg-related. Tracebacks from these outbreaks led to 30 different egg-layer flocks, including some of the largest in the U.S. These flocks were located in the following States: 17 in Pennsylvania, 3 each in Indiana and Maryland, 2 in New York, and 1 each in Colorado, Delaware, New Jersey, Kansas and Michigan. As of January 1, 1993, only three of these flocks (two in Maryland and one in New York) are still

under restriction. The remaining flocks have either been released from restriction or depopulated. Eggs from the positive flocks were prevented from being sold interstate as table eggs, and instead were sent to pasteurization plants. Approximately 7 million laying hens were involved and approximately 1.150 billion eggs have been kept off the table egg market.

In FY 1993, the Agency will continue the traceback program. In addition, APHIS is conducting a large pilot program in Pennsylvania to better determine how to prevent and control SE in poultry flocks. The program now monitors 62 flocks with a total population of 4.5 million laying hens.

There are also many efforts by other agencies and groups to lower SE incidence. Egg producers have adopted a wide range of measures to reduce the risk of infecting their flocks and contaminating eggs with SE. The egg industry is recommending more stringent refrigeration requirements for eggs throughout the production process and legislation along these lines was recently enacted by Congress. In FY 1990, the Food and Drug Administration added eggs to the "hazardous foods" list and recommended a 45 degree F. refrigeration requirement and the use of pasteurized eggs in institutions. Through the combined efforts of APHIS, egg producers, restaurants and consumers, industry representatives and other government agencies, it should be possible to decrease human SE outbreaks to 25 per year by the year 2000, from the current annual level of approximately 60.

Scrapie - The goal of the scrapie program is to reduce the incidence and control the spread of scrapie, a transmissible disease of sheep and goats that causes a slowly progressive degeneration of the central nervous system. This approach is a newly established voluntary flock certification program, which calls for the gradual development of flocks that are certified to be free of scrapie, with participating flocks progressing through four classes over time. There is a minimum time limit that a flock must spend within a given class, and each class has specific requirements for flock recordkeeping, new animal purchase, animal identification, actions upon animal deaths, and submission of diagnostic samples. The certification program took effect on October 1, 1992 and resulted from negotiated rulemaking, which was a cooperative effort between producers, accredited veterinarians, allied industry representatives, State animal health officials, and APHIS.

FY 1993 activities are focusing on program implementation. On December 9, 1992, APHIS published a final rule in the Federal Register that provides for the depopulation and indemnification of scrapie-infected and source flocks. This rule, which took effect January 8, 1993, revised the indemnity payment plan for sheep and goats infected with or exposed to scrapie by reducing the maximum indemnity paid for each sheep or goat. Under this rule, APHIS will pay up to \$150 for each registered sheep or goat and \$50 for all other sheep and goats destroyed for scrapie, if producers apply within 6 months after the effective date of the rule. Animals used for diagnostic testing are also eligible for indemnity payments. The rule also states that APHIS will not pay indemnity for any animal purchased within 6 months of the rule's effective date. In addition, it will not pay indemnity for flocks that have existed for less than a year. These new requirements will deter producers from acquiring scrapie-affected animals for indemnities. The changes resulting from this rule will benefit the sheep and goat industry in both the short- and long-term as more producers are approved for indemnification and are enrolled in the voluntary scrapie flock certification program. The Agency continues to support cooperative research to develop a live animal diagnostic test for scrapie and to determine if embryo transfer is effective in preventing scrapie transmission.

Sweetpotato Whitefly (SPW) - The SPW program implements a biological control based strategy to manage the SPW. The SPW feeds on approximately 500 plants, and is the most economically important

whitefly vector, transmitting at least 27 different plant diseases worldwide. Whitefly transmitted diseases have caused staggering losses to desert southwest agriculture in the last 10 years. Recently, the SPW has become a destructive pest in a multitude of field crops and greenhouse ornamentals across the desert southwest in the United States. This has occurred primarily because of the pest's breeding habits, the absence of an effective natural enemy, and the fact that the whitefly has proven to be highly resistant to chemical control methods.

- Tuberculosis - The goal of this program is the eradication of bovine tuberculosis (TB) from the United States. Sources of infection and exposure can be from cattle, bison, elk, deer, and other warm-blooded mammals. Restrictions are placed on the interstate movement of cattle that are reactors, exposed, or suspects. Limited indemnities are provided to owners of TB-infected animals destroyed in connection with the program.

The Agency will complete the evaluation of a new test for cattle and one for cervidae, and explore ways to reduce the importation of Mexican steers with TB into the U.S. through improved communication with Mexico regarding the control and eradication of TB in animals undergoing international movement.

- Witchweed - The program's goal is to prevent the spread of witchweed to host crop producing areas of North Carolina and South Carolina and move towards eventual eradication of this pest. By 1995, APHIS expects to have completed witchweed eradication. Afterwards, the Agency will conduct post-eradication surveys and spot treat new infestations when detected. Witchweed is a parasitic plant that attacks corn, sorghum, sugarcane, rice, and more than 60 species of the grass family. Witchweed attaches itself to the root system of a host and robs it of water and nutrients, thus reducing crop yield. APHIS works closely with State and local governments, industry groups, and farmers to control witchweed. A quarantine of the infested area prevents the spread of witchweed by regulating certain articles that may be contaminated from leaving the infested area. Other program activities include survey, regulatory, eradication, and suppression.

The levels of pest and disease management activities are shown by the selected examples that follow:

Program	1992 Actual	1993 Estimated	1994 Estimated
ADC Operations:			
Number of livestock protected:			
Sheep and goats.....	8,517,100	8,600,000	8,700,000
Cattle.....	11,491,000	11,500,000	11,500,000
Crop acres protected:			
Small grains.....	1,380,000	1,400,000	1,420,000
Sunflowers.....	325,000	335,500	340,000
Fruit and nut orchards.....	179,000	178,000	179,000
Hay, alfalfa, and pasture.....	490,000	495,000	500,000
Citrus.....	47,500	48,000	49,000
Corn.....	157,500	159,000	160,000
Soybeans.....	19,500	21,500	22,500
Vineyards.....	140,000	142,000	145,000
Range and forest acres protected:			
Range.....	8,120,000	8,500,000	9,000,000
Forest.....	3,150,000	3,250,000	3,350,000
Health and safety accomplishments:			
Airports (prevent bird strikes).....	380	385	390
Rabies projects.....	70	72	74
Plague surveillance projects.....	270	270	275
Number of requests for assistance:			
Agriculture.....	109,100	110,000	111,000
Urban interests.....	87,500	90,000	92,000
Human health and safety.....	21,700	22,000	22,500
Industrial facilities.....	1,432	1,500	1,500
Natural resources.....	1,225	1,280	1,285

Program	1992 Actual	1993 Estimated	1994 Estimated
Biological Control:			
Natural enemies released (thousands):			
European corn borer.....	1,519	1,500	1,500
Colorado potato beetle.....	200	1,200	1,200
Diffuse and spotted knapweed.....	62	66	68
Leafy spurge.....	153	168	185
Russian wheat aphid.....	2,316	3,100	2,300
Sweetpotato whitefly.....	450	5,000	10,000
Euonymus scale.....	6	50	100
Cereal leaf beetle.....	-	5	30
Boll Weevil:			
Cumulative acres treated (thousands):			
High Plains.....	253	500	650
SE eradication.....	918	1,400	1,500
SW eradication.....	73	46	24
Brucellosis:			
Cattle:			
Class Free status States.....	34	35	39
Class A status States.....	18	18	14
Class B status States.....	1	-	-
Total number of quarantined herds (end-of-year).....	394	250	175
Cattle ticks:			
Infested premises under treatment outside of quarantine zone at end of FY (Texas).....	5	4	4
Infested premises under treatment inside quarantine zone at end of FY (Texas).....	11	16	16
Premises freed of ticks (cumulative) Puerto Rico (bovine only).....	12,388	14,080	16,000
Grasshopper and Mormon cricket:			
Cumulative acres treated (thousands).....	235	1,000	2,000
Acres treated in CRP lands (thousands).....	-	1	1
Economically infested acres from survey (thousands).....	22,728	24,766	30,000
Gypsy moth:			
Total number of acres treated.....	204,458	205,000	220,775
Honeybee pests:			
Swarm traps at ports-of-entry.....	780	780	780
Swarm traps operated by APHIS in maintaining spread of Africanized honeybee.....	1,480	1,480	-
Imported fire ant:			
Regulatory violations (State and Federal).....	34	40	40
Regulatory inspections (State and Federal).....	28,000	25,000	15,000
Noxious weed program:			
Acres treated for common crupina in Oregon.....	2,000	2,000	2,000
Acres treated for common crupina in Washington.....	480	480	480
Acres treated for goatsrue in Utah.....	39,000	39,000	39,000
Acres treated for <u>Orobanche ramosa</u>	405	390	350
Pink bollworm:			
Sterile insects reared (millions).....	705	800	1,222
Sterile moths released (millions):			
San Joaquin Valley.....	705	800	800
Imperial/Coachella Valley.....	-	-	422
Pseudorabies:			
States enrolled in the National Pseudorabies Eradication Program:			
Stage I States.....	9	1	-
Stage II States.....	15	5	3
Stage II/III States.....	3	4	5
Stage III States.....	14	13	3
Stage IV States.....	8	18	17
Stage V States.....	1	9	22
Known infected herds.....	7,707	9,000	9,000
Salmonella enteritidis:			
Human SE outbreaks per year.....	54	40	25
Number of these cases that were egg-related.....	20	10	5
Human SE cases per year.....	2,500	1,500	500
Egg-layer flocks implicated in the outbreaks.....	10	5	2
Egg-layer flocks under restriction at end-of-year.....	3	2	1
Egg-layer flocks monitored by the traceback program.....	10	5	2

Program	1992 Actual	1993 Estimated	1994 Estimated
Scrapie:			
Total number of infected flocks, includes new and existing.....	67	75	75
Number of new infected flocks found.....	56	60	65
Number of exposed flocks under surveillance.....	226	-	-
Flocks participating in flock certification program..	-	500	2,000
Tuberculosis:			
States accredited-free status.....	41	42	42
States modified-accredited status.....	11	10	10
Herds located.....	7	8	8
Herds depopulated	3	5	6
Witchweed:			
Acres infested at end-of-year.....	48,480	39,500	26,900
Acres released from quarantine.....	253,702	236,439	226,039
Acres previously released and now terminated from program.....	133,632	159,632	182,632

4. Animal care programs -- APHIS is mandated by Congress to enforce the Animal Welfare Act (AWA) of 1966 and the Horse Protection Act (HPA) of 1970. The statutory authority for this work is contained in the respective Acts and the corresponding amendments. The program activities contain the following principles:

- Animal Welfare - under the AWA, APHIS is responsible for developing regulations implementing its provisions and to ensure compliance with these regulations by the regulated entities.

The AWA stipulates that warm-blooded animals utilized for research, exhibition, or raised for the wholesale pet trade, receive humane care, treatment and handling. The transportation of regulated animals in commerce is also covered by the AWA. To prevent the utilization of stolen pets for research purposes the AWA requires that records of acquisition and disposition be maintained for dogs and cats raised or utilized under the AWA. The activities of the program are accomplished via a licensing and or registration requirement combined with an inspection process. Investigations are performed as indicated to ensure compliance.

With the enactment of an amendment to the AWA that called for a certification to accompany random-source dogs and cats sold to dealers by humane shelters, certain pounds, and research facilities, APHIS proposed a rule November 15, 1991, that addresses the requirements. The amendment requires that regulated facilities comply with holding periods. This legislation was passed by Congress to prohibit the use of stolen pets in research and to provide owners the opportunity to locate their animals. The final rule is presently in the Departmental clearance process, awaiting publication in the Federal Register.

As a result of an OIG review, APHIS has developed proposals for the improved welfare of dogs in the pet industry. This included recommended changes in policy, management, enforcement, recommendations for the control of unlicensed dealers, and other supportive suggestions for a better enforcement of the standards for animal welfare. These recommendations from the OIG study have been reviewed. Their recommendations are now in the process of being implemented.

- Horse Protection -- The Department is committed to the elimination of the inhumane practice of soring horses. The Horse Protection Act (HPA) prohibits the showing, selling, or exhibition of sored horses. Soring of horses causes an exaggerated gait. This is done by the application or use of chemicals, cuts, burns, tacks, irritating devices, or overwork.

The Department officially certifies horse industry organizations that carry out inspection of horses at shows, sales, auctions, and exhibitions in accordance with the HPA regulations. APHIS monitors compliance of the program by making unannounced inspections.

During FY 1992, APHIS made a special effort to educate horse show management and certified DQP programs as to their responsibilities under the law, and to improve inspection methods. In FY 1993, APHIS anticipates refining the horse protection procedures.

The levels of animal care activities are shown by the selected examples that follow:

Program	1992 Actual	1993 Estimated	1994 Estimated
Animal welfare:			
Complaints investigated and resolved.....	589	647	711
Number of inspections conducted at licensees and/or registrants.....	13,194	15,790	17,470
Number of inspections conducted in transit.....	2,379	1,299	1,500
Number of violations processed.....	980	433	459
Dealer inspections.....	6,199	7,000	7,200
Research inspections.....	4,303	4,500	4,650
Exhibitor inspections.....	2,692	2,750	2,900
Intransit inspections (Carriers 2,041, Handlers 338)...	2,379	2,500	2,650
Preliminary inspections.....	3,022	3,200	3,425
Horse protection:			
Staff days and/or nights of inspecting or monitoring horse shows and sales.....	299	240	240

5. Scientific and Technical services -- APHIS develops methods to control animals and pests that are detrimental to agriculture, wildlife, and public safety. The Agency's regulatory structure brings the benefits of genetic research to the marketplace, while protecting against the release of potentially harmful organisms into the environment. APHIS also conducts diagnostic laboratory activities that support the Agency's veterinary disease prevention, detection, control, and eradication programs. In addition, APHIS supports its biotechnology program by ensuring that the veterinary biologicals developed for combating disease are potent, safe, and pure. The Agency's Scientific and Technical Services unit also provides and directs technology development in coordination with other groups in APHIS to support plant protection programs of the Agency and its cooperators at the State, national, and international levels.

The statutory authority supporting this work is contained in 7 U.S.C. 7-7b, 8, 11, 15, 17, 30, 54, 55, 429, and 3801; 15 U.S.C. 44; 19 U.S.C. 4; 21 U.S.C. 4, 5, and 45; 46 U.S.C. 15; and 49 U.S.C. 20. The principal legislative authority for these activities is contained in the Act of May 29, 1884; Act of August 30, 1890; Act of February 2, 1903; Act of March 3, 1905; Tariff Act of June 17, 1930; Act of September 21, 1944; the Organic Act of 1944, as amended by P.L. 94-231, enacted March 15, 1976; Act of February 28, 1947; Act of September 6, 1961; Act of July 2, 1962; the Virus-Serum-Toxin Act of March 14, 1913; and the ADC Act of 1931. Authority to collect user fees for veterinary diagnostics is contained in Section 2509 of the Food, Agriculture, Conservation, and Trade Act (Farm Bill) of 1990.

- ADC Methods Development - The ADC program was transferred to APHIS on December 29, 1985, pursuant to P.L. 99-190; H.J. Res. 465, 99 Cong. 1st Sess. 1985. From 1939 until its transfer to APHIS, the program was a part of the U.S. Department of the Interior's Fish and Wildlife Service. The basic program mission is to protect American agriculture and other resources through identification, demonstration, and application of the best methods of controlling wild and free ranging animals that are detrimental to agriculture, other wildlife, and public safety. In support of this mission, research and development of control techniques and devices for the operations program and APHIS clientele are provided by the Denver Wildlife Research Center. The program conducts research to maintain current pesticide registrations with the Environmental Protection Agency for products such as strychnine, Compound 1080, and Starlicide (DRC-1339). Also, new or improved control tools such as soft traps, the livestock protection collar, repellents, and electroshock techniques are researched.

- Biotechnology and Environmental Protection - In FY 1992 APHIS consolidated its three environmental units--the headquarters Environmental Analysis and Documentation staff, Technical and

Scientific Services staff, and National Monitoring and Residue Analysis Laboratory at Gulfport, Mississippi, under one division and received permission to fund them under an expanded Biotechnology and Environmental Protection line item. This new organization reflects APHIS' commitment to environmental stewardship under a "circle of environmental protection" concept as it protects America's plant and animal resources from harmful pests, diseases, and predators. Under this concept, the program helps APHIS' operational programs comply with all environmental requirements--the National Environmental Policy Act (NEPA) and other environmental laws, regulations, and Executive Orders--in a proactive fashion. The group works with program planners to identify and develop viable alternatives to current control and eradication programs and documents APHIS' environmental planning activities. The program also maintains the registration of chemicals and other substances used in current APHIS programs, while helping to identify emerging, less environmentally invasive alternatives to current practices. In addition, the program develops monitoring plans that help assess the impact of Agency actions on the environment, and analyzes samples of soil, water, and crops for pesticide residue to determine the safety of ongoing and alternative programs. The environmental protection program helps APHIS integrate environmental planning into program development at the earliest possible time, rigorously explore alternative to current control and eradication methods, and anticipate and prevent environmental problems.

The biotechnology component of the program regulates the field release, interstate movement, and importation of genetically modified organisms, and licenses recombinant derived veterinary biologics for sale and distribution in the United States. The intent of this program is to certify and ensure that the introduction and field testing of new products do not present potential risks to America's plant and animal resources and/or industries, the general public, or the environment. The program provides the added benefit of fostering technology transfer by allowing for the safe field testing of potentially beneficial plants and micro-organisms and licensure of recombinant-derived veterinary biologics. Also, the program enhances technology transfer by working to reduce domestic and international barriers to biotechnology development and trade. Both activities support the President's goal of maintaining America's competitive edge in biotechnology.

- Integrated Systems Acquisition Project (ISAP) - ISAP is an Agency initiative to establish a mechanism to procure automated data processing (ADP) equipment, software, and services which will enable APHIS' many information management applications to be developed and operate in a consistent, common ADP environment. This procurement is designed to replace the Agency's current mixture of incompatible ADP systems. The ISAP initiative will improve the delivery and administration of Agency programs by integrating technologies and information across all levels of the Agency.
- Plant Methods Development Laboratories - Methods development supports APHIS programs primarily by optimizing existing pest control practices and by developing new technologies for pest exclusion, detection, and control. This is accomplished by conducting methods development, evaluating new biological and chemical materials, adapting or inventing equipment, providing technical consultation and training, collecting and disseminating pertinent information, participating in strategic and tactical planning, serving as a liaison between APHIS and the research community, and integrating technological advancements into integrated pest management systems.
- Veterinary biologics - The goal of this program is to prevent the importation, production and distribution of impure, ineffective, unsafe, or impotent veterinary biological products in the United States. Program activities include the licensing of veterinary biological products, inspection of licensed manufacturing facilities, testing of statistically based samplings of licensed products, and the issuance of permits for the importation of these products. The program regulates both the interstate and intrastate distribution and sale of veterinary biological products. These activities help protect

America's multi-billion dollar livestock and pet industries. The program also helps ensure that industry has an efficient regulatory pathway to bring beneficial products to American agriculture. This function fosters the growth of America's veterinary biologics industry, which is making use of the explosive growth of microbiological processes to develop sophisticated new products. Finally, the program participates in efforts to reduce unfair regulatory barriers to the entry of American veterinary biological products into foreign markets and works with industry to reduce the use of laboratory animals by making greater use of *in vitro* testing.

- Veterinary diagnostics - APHIS maintains a diagnostic program for foreign and domestic animal diseases that threaten the livestock, poultry, and related industries of the United States. The program consists of diagnostic laboratory activities which include diagnostic assistance to the livestock and poultry industries, as well as to the States. APHIS operates laboratories located at Ames, Iowa, for diagnosing domestic diseases, and Plum Island, New York, for work on diseases exotic to the United States such as FMD. Services include differential diagnosis, blood and tissue examination, culture analysis, toxicological testing, and reagent and reference antigen production. The program also provides training in domestic and foreign animal disease diagnosis. Currently, APHIS recovers a portion of the costs it incurs for fetal bovine serum testing, bird quarantine work, and testing of animals held in quarantine.

In FY 1993, the program plans to implement additional user fee regulations to cover direct labor and material costs for veterinary diagnostic testing, reagent production, and reference assistance testing. Also, the Agency plans to conduct additional tuberculosis culture activities and pathology examinations; tests to determine the incidence of bovine leukosis, bluetongue, anaplasmosis, and bovine viral diarrhea in beef cattle; and qualify animals for import/export in response to the free trade agreement with Canada and Mexico.

The levels of scientific and technical activities are shown by the selected examples that follow:

Program	1992 Actual	1993 Estimated	1994 Estimated
ADC methods development:			
Registration/Reregistration:			
Number of data submissions.....	85	72	51
Number of quarterly, annual, and consortia progress reports.....	41	45	35
Number of registration applications.....	31	22	25
Number of investigational new animal drug application - (requires FDA approval).....	1	1	1
Number of data call-in - (data collected on pesticides (chemical-repellents) for reregistration).....	4	1	1
Research:			
Studies initiated.....	55	50	49
Studies completed.....	64	30	52
Studies in progress.....	127	109	98
Publications.....	65	65	70
Biotechnology:			
Number of release applications received.....	165	330	660
Number of days to process application.....	71	55	40
Number of release permits issued.....	145	290	580
Number of days to process applications:			
Movement permits.....	52	45	40
Release permits.....	71	55	40
Number of analyses reviewed and prepared.....	25	16	18

Program	1992 Actual	1993 Estimated	1994 Estimated
Plant methods development:			
Aerial pesticide application technology tests.....	1	3	2
Asian gypsy moth:			
Formal presentations.....	7	5	1
Manuscripts.....	2	2	30
Researched experiments.....	10	30	20
Consultations.....	100	150	
Gypsy moth:			
Formal presentations.....	12	12	12
Manuscripts.....	3	4	10
Pheromone trials.....	20	20	20
Aerial pesticide technology development tests.....	8	10	10
Insecticide formulation tests in the laboratory.....	28	30	30
Consultations.....	100	90	100
Biological control:			
Formal presentations.....	4	8	12
Impact evaluation.....	1	4	4
Researched experiments.....	10	15	20
Cooperative studies.....	1	5	10
Consultations.....	10	20	20
Exotic pest survey:			
Formal presentations.....	4	4	4
Pheromone trials.....	2	4	5
Consultations.....	60	60	60
Production of survey dispensers.....	40,000	40,000	40,000
Consultations on exotic pest survey methods.....	2	2	2
Grasshopper:			
Bio-insecticide formulations tested in the field.....	1	10	15
Bio-insecticide laboratory tests.....	10	10	10
Insecticide formulations tested in the field.....	3	3	3
Insecticide formulations tested in the laboratory..	1	3	3
Field evaluations of IPM treatments.....	7	7	7
Individual training for grasshopper identification..	3	3	3
IPM technology transfer team activities/sessions...	5	6	6
Manuscripts.....	2	1	1
Mexican fruit fly:			
Field trials conducted of new traps and lures.....	4	4	4
Aerial pesticide and technology tests.....	1	1	1
Mass-rearing and sterile release technology.....	6	6	8
Noxious weeds:			
Formal presentations.....	20	25	25
Manuscripts.....	12	14	16
Researched experiments.....	45	55	65
Species projects.....	40	50	60
Consultations.....	225	250	275
Pine shoot beetle:			
Formal presentations.....	1	10	10
Manuscripts.....	2	1	—
Research experiments.....	10	20	20
Consultations.....	25	50	50
Regulatory treatments investigated.....	12	20	10
Pink bollworm:			
Shipments of test insects.....	125	150	150
Pheromone system field trials.....	3	3	4
Mass-rearing assistance to major field trials.....	30	30	100
Technical assistance to major field trials.....	2	3	4
Field trap and behavior tests.....	10	8	8
Whitefly:			
Predator colonies maintained.....	1	2	4
Predator field tests.....	5	10	10
Parasite release and evaluation.....	4	20	20
Witchweed:			
Formal presentations.....	20	20	20
Manuscripts.....	25	25	25
Researched experiments.....	40	45	50
Herbicidal treatments investigated.....	75	60	45
Consultations.....	150	160	170

Program	1992 Actual	1993 Estimated	1994 Estimated
Veterinary biologics:			
Number of serials processed.....	23,091	24,841	26,591
Percent of serials tested for:			
Potency.....	7.7	7.6	7.6
Purity.....	3.6	3.6	3.6
Sterility.....	4.4	4.4	4.4
Safety.....	0.01	0.01	0.01
Chemistry.....	0.2	0.2	0.2
Number of inspections:			
In-depth.....	46	65	72
Follow-up.....	10	15	16
Special.....	30	35	48
Percent of inspections that find unsafe practices.....	.53	.56	.53
Veterinary diagnostics:			
Number of import-export health requirement tests conducted at National Veterinary Service Laboratories (NVSL).....	70,000	70,000	70,000
Number of import-export health requirement tests conducted at Foreign Animal Diseases Diagnostic Laboratories (FADDL).....	21,000	22,000	22,000
Number of fraudulent blood screening tests conducted.....	80,000	80,000	80,000
Number of diagnostic tests conducted at NVSL.....	485,000	500,000	500,000
Volume of reagents shipped (ml):			
By NVSL.....	3,200,000	3,300,000	3,300,000
By FADDL.....	200,000	200,000	200,000
Number of training days provided:			
International students.....	508	500	500
Domestic students.....	510	500	500

GAO AUDITS

<u>Report No.</u>	<u>Title</u>	<u>Date Issued</u>
RCED-92-69	Salmonella--FDA/USDA Controls	4/21/92
RCED-92-209	Food Safety and Quality - FDA Should Address Drug Residues in Milk	8/12/92
RCED-93-2	Wildlife Management, Brucellosis in Yellowstone's Bison	10/21/92

OIG AUDITS

<u>Report No.</u>	<u>Title</u>	<u>Date Issued</u>
33099-8-SF	California Medfly Claims	3/31/92
33099-5-AT	National Poultry Improvement Plan Survey	9/29/92
50099-28-AT	USDA Labs - Hazardous Waste Management	9/30/92
33001-2-AT	Assessment of User Fees	10/21/92
33003-1-SF	Phytosanitary Certification (DRAFT)	11/30/92
50600-2-AT	Cleanup Costs for Hazardous Waste	9/30/92

Incurred under Interagency Agreements

JUSTIFICATION OF INCREASES AND DECREASES

- (1) A net increase of \$9,456,000 for pest and disease exclusion activities, consisting of:
- (a) An increase of \$2,050,000 which reflects a 2.7 percent increase in non-salary costs.

- (b) An increase of \$2,447,000 which reflects the annualization of the FY 1993 pay raise.

- (c) A decrease of \$1,736,000 for administrative efficiency.

Need for Change. To promote the efficient use of resources for administrative purposes, in keeping with the President's Executive Order, total USDA baseline outlays for these activities will be reduced by 3 percent in FY 1994, 6 percent in FY 1995, and 14 percent in FY 1997.

Nature of Change. To achieve the savings in these line items, the Agency will reduce travel, utilities, rent, printing and reproduction, cooperative agreements, and supplies.

- (d) A decrease of \$56,000 for FTS 2000 funding.

This decrease reflects lower long distance telecommunications prices due to price redeterminations in the FTS 2000 contracts.

- (e) An increase of \$1,136,000 for the Agricultural Quarantine Inspection (AQI) appropriated program (\$22,717,000 available in FY 1993).

Need for Change. The AQI program protects American agriculture from exotic pests and diseases by supporting Mexican border activities, inspecting private and military aircraft, small tonnage vessels, and miscellaneous activities not funded by user fees. The program is designed to enhance exclusion of fruit flies, khapra beetle, and other exotic plant and animal pests and diseases. APHIS inspects passengers departing Puerto Rico and Hawaii for the U.S. mainland, as well as pedestrians and passenger motor vehicle traffic from Mexico. Each person, bag, or cargo item entering this country could carry an exotic pest capable of causing a major outbreak. In Fiscal Year (FY) 1991, predeparture inspections covered approximately 7 million passengers from Hawaii and 4 million from Puerto Rico.

Nature of Change. The increased funding will allow APHIS to provide for staffing and support in Mexico and on the Mexico border to assist in exclusion efforts at seaports, airports, and road stations, and rail car inspections. Also, these funds will provide for oversight and accreditation of all Military Customs Inspection Programs. This increase will also provide a small staff increase in Hawaii.

- (f) An increase of \$6,477,000 for the AQI user fee program (\$83,362,000 available in FY 1993).

Need for Change. The principle objective of the AQI user fee program is to conduct an effective inspection program to prevent pests and diseases of foreign origin from entering the United States and spreading within the country. In FY 1991, approximately 30 million international passengers arrived at U.S. ports. This is an increase of approximately 16 percent over FY 1990. Passenger arrivals are expected to double by the year 2000 and fee collections will rise also. This program regulates the import and export of designated endangered plant species, and provides an export certification program suitable to agriculture's needs on a fee basis. Increased inspection activities are expected due to the rise in the importation of propagative plant materials. Because of the tremendous increase in fee supported program activities, additional staff years are needed for more supervisors, officers, bio-aides, technicians, and office support staff. The Citrus Export Certification Program's success and greater demand for American agricultural products by foreign countries have caused increased export activities. Cargo operations at both airports and maritime ports are increasing due to the political stabilization of government in foreign countries, and the negotiations of foreign trade agreements with the United States. A sizable increase in agricultural fee inspected imports has resulted from the Caribbean Basin Initiative Program.

Nature of Change. The increased authority to spend fee generated funds will provide additional staff and equipment to escalate the rate of conversion to the automated cargo system for paperless clearance of maritime and air cargo. Increased staff will permit more rapid assessment of the pest risk involved with increasing requests for import commodities, such as exotic fruits and vegetables from the Caribbean and South America, including timber products from Russia, New Zealand, and Chile. The Agency will increase its capability to immediately detect and eradicate incipient pest invasions through trapping at ports of entry and sensitive areas. Also, export certification of U.S. products will be expedited through automation of the export manuals and certificate issuing system. Sufficient staff will be available for passenger terminal expansion to adequately inspect increased passengers and cargo, primarily at major California and east coast airports. In addition, the increased authority to spend fee generated funds will enable APHIS to continue improving and implementing innovative techniques, such as x-ray machines and detector dogs, to handle the escalating workload. The increased spending authority will provide more Canine Officers and permit additional placement of canine teams at major airports, and provide personnel, dogs, training, and equipment necessary to house, transport, and maintain the Canine program needs.

- (g) An increase of \$194,000 for foot-and-mouth disease program (\$3,891,000 available in FY 1993).

Need for Change. Foreign operating costs, especially local salaries in Mexico, Panama, and Columbia, have increased approximately 20-30 percent since FY 1990. The cost of doing business in overseas locations far exceeds the cost of doing business domestically. As a result, an erosion in program budgets because of increased operating costs threatens APHIS' ability to maintain current activity levels.

The risk of foreign animal diseases threatening the United States has grown in recent years. Free trade issues, especially hemispheric, along with General Agreements for Tariff and Trade (GATT) and proposals for establishing free trade zones will require increased emphasis on foreign animal disease detection, prevention, program surveillance, and eradication activities.

Nature of Change. The program would continue with its basic support to the joint Mexico, Panama, and Colombia foot-and-mouth disease programs together with vesicular disease sample submission from Central America. Program activities would be supported at the FY 1992 level.

- (h) No net program change comprised of a decrease of \$2,970,000 in appropriations offset by an increase of \$2,970,000 to be derived from user fees for the import/export inspection program (\$8,000,000 available in FY 1993).

Need for Change. User fees that were implemented in FY 1992 cover costs associated with export inspection of animals. To ensure that direct recipients of the service pay the costs by FY 1994--user fees will be implemented to recover full costs associated with importations at import centers and at all other ports of entry. These fees will also cover the importation of animal products, such as the costs of permits and inspections at product establishments. This will enable a reduction in appropriated funds.

Nature of Change. User fees for the import/export program will cover costs at APHIS-owned animal import centers. These costs include veterinary inspection and care, laboratory costs and administrative costs at import centers, costs for certifying the health of animals being exported, costs for supervision and loading of animals on aircraft, and related supplies and equipment. New user fees will also be implemented to cover costs for inspections of livestock entering the United States from Mexico and Canada and other ports of entry. These fees will cover the costs of issuing product permits, inspecting product facilities, and other related services.

- (i) An increase of \$1,166,000 for international programs activities (\$4,675,000 available in FY 1993).

Need for Change. Operating costs overseas have increased at a rate much higher than for domestic operations. Since FY 1991 and projected through FY 1994, foreign operating costs reflect an annual average increase of approximately 24 percent. As a result, Foreign Affairs Administrative Support (FAAS) services, which is administered by the State Department, increases significantly each year. The FAAS system is a method of determining administrative support costs and distributing these costs among participating foreign affairs agencies overseas. FAAS services include but are not limited to medical services, regional security, imprest fund, housing, general support services, foreign service nationals, personnel services, motor pool messenger services, and mail services. Funding for increased FAAS costs is necessary to avoid erosion of base funding for program activities due to inflation. The requested increase for FAAS costs in FY 1994 is \$45,263.

The goal of international programs is to provide leadership, management, and coordination of international activities pertaining to phyto and zoosanitary measures and facilitate international trade. Initiatives which affect international trade include the North American Free Trade Agreement, the Uruguay Round for GATT, the European Community, and the Andean Initiative. The array of sanitary and phytosanitary issues affecting APHIS and the trading community are growing rapidly. Bilateral relations, regional activities, pest-free zones, and proposed and actual certification programs, have greatly increased APHIS international activities.

Increased funding would allow APHIS to take an aggressive, proactive approach in implementing an APHIS international marketing strategy founded on sanitary and phytosanitary standards. This approach would consider actions taken by the four major trade efforts now underway to develop or refine trade terms. These efforts include the current GATT round, the Dunkel proposal, the "European Community 92," and the North American Free Trade Agreement. These funds would enable APHIS to successfully negotiate the resolution of phytosanitary and sanitary issues and facilitate the increase the exports of U.S. agricultural products.

Nature of Change. APHIS would increase technical information exchange with emerging and developing countries which will benefit worldwide phyto and zoosanitary conditions. This level would also permit the establishment of APHIS attache positions in Moscow to cover liaison with the eastern block countries of the world. In addition, APHIS would fully implement their plan to cross-train international APHIS personnel on both plant and animal health issues. The request will also fund the State Department for increased costs of services provided under FAAS.

- (j) An increase of \$32,000 for Mediterranean fruit fly program (\$10,213,000 available in FY 1993).

Need for Change. Operating costs overseas have increased at a rate much higher than for domestic operations. Since FY 1991 and projected through FY 1994, foreign operating costs reflect an annual average increase of approximately 24 percent. As a result, FAAS services which is administered by the State Department, increases significantly each year.

Nature of Change. The request will fund the State Department for increased costs of services provided under FAAS. The FAAS system is a method of determining administrative support costs and distributing these costs among participating foreign affairs agencies overseas. FAAS services include but are not limited to medical services, regional security, imprest fund, housing, general support services, foreign

service nationals, personnel services, motor pool messenger services, and mail services. Funding for increased FAAS costs is necessary to avoid erosion of base funding for program activities due to inflation.

- (k) An increase of \$567,000 for Mexican fruit fly (MFF) program (\$1,700,000 available in FY 1993).

Need for Change. Since the mid 1980's, the number of fruit fly outbreaks in the United States has increased significantly, raising concerns among United States fruit growers. Increased movement of people and goods combined with urban growth and industrialization along the Mexican border serve to increase the risk of fruit fly introduction. Therefore, APHIS needs to strengthen suppression efforts within the vicinity of Tijuana, Baja California Norte, to provide greater protection to California from the MFF threat. In addition, citrus production is recovering in the lower Rio Grande Valley requiring additional survey and monitoring activities to certify fruit for movement to other markets.

Nature of Change. These funds will provide for increased releases of sterile MFF within the northern border states of Mexico. The Mission rearing facility would produce additional flies for use in Mexico. Funding would also provide for monitoring MFF populations in Baja California Norte, Nuevo Leon, Tamaulipas, Chihuahua, and Sonora, through trapping, market inspections, and fruit sampling. Increased funding would also provide regulatory and trapping activities in Texas to support the MFF program in the lower Rio Grande Valley, at a level commensurate with increased citrus production as the industry continues to recover from the 1989 freeze.

- (l) An increase of \$149,000 for the screwworm program (\$34,645,000 available in FY 1993).

Need for Change. Operating costs overseas have increased at a rate much higher than for domestic operations. Since FY 1991 and projected through FY 1994, foreign operating costs reflect an annual average increase of approximately 24 percent. As a result, FAAS, which is administered by the State Department, increases significantly each year.

Nature of Change. The request will fund the State Department for increased costs of services provided under FAAS. The FAAS system is a method of determining administrative support costs and distributing these costs among participating foreign affairs agencies overseas. FAAS services include but are not limited to medical services, regional security, imprest fund, housing, general support services, foreign service nationals, personnel services, motor pool messenger services, and mail services. Funding for increased FAAS costs is necessary to avoid erosion of base funding for program activities.

- (2) A net increase of \$754,000 for plant and animal health monitoring activities, consisting of:

- (a) An increase of \$1,154,000 which reflects a 2.7 percent increase in non-salary costs.
- (b) An increase of \$875,000 which reflects the annualization of the FY 1993 pay raise.
- (c) A decrease of \$698,000 for administrative efficiency.

Need for Change. To promote the efficient use of resources for administrative purposes, in keeping with the President's Executive Order, total USDA baseline outlays for these activities will be reduced by 3 percent in FY 1994, 6 percent in FY 1995, and 14 percent in FY 1997.

Nature of Change. To achieve the savings in these line items, the Agency will reduce travel, utilities, rent, printing and reproduction, cooperative agreements, and supplies.

- (d) A decrease of \$26,000 for FTS 2000 funding.

This decrease reflects lower long distance telecommunications prices due to price redeterminations in the FTS 2000 contracts.

- (e) A decrease of \$551,000 for the pest detection program (\$3,976,000 available in FY 1993).

Need for Change. APHIS conducts international pest detection activities in the Western Hemisphere, primarily in Mexico and the Caribbean. These activities consist of surveys to detect new pests and surveys to monitor known pests of concern to the United States. This decrease will require foreign countries of the Western Hemisphere to assume a larger role in their pest detection programs if surveys are to be conducted.

Nature of Change. All international plant pest survey and detection activities within the Western Hemisphere for certain exotic pests (including fruit flies in the genus Dacus and Bactrocera, khapra beetle, mango seed weevil, brown citrus aphids, and citrus diseases including citrus tristeza virus) will cease.

- (3) A net decrease of \$9,466,000 for pest and disease management programs, consisting of:

- (a) An increase of \$1,221,000 which reflects a 2.7 percent increase in non-salary costs.
- (b) An increase of \$1,530,000 which reflects the annualization of the FY 1993 pay raise.
- (c) A decrease of \$1,114,000 for administrative efficiency.

Need for Change. To promote the efficient use of resources for administrative purposes, in keeping with the President's Executive Order, total USDA baseline outlays for these activities will be reduced by 3 percent in FY 1994, 6 percent in FY 1995, and 14 percent in FY 1997.

Nature of Change. To achieve the savings in these line items, the Agency will reduce travel, utilities, rent, printing and reproduction, cooperative agreements, and supplies.

- (d) A decrease of \$34,000 for FTS 2000 funding.

This decrease reflects lower long distance telecommunications prices due to price redeterminations in the FTS 2000 contracts.

- (e) An increase of \$3,454,000 for the biological control (biocontrol) program (\$4,599,000 available in FY 1993).

Need for Change. The APHIS biocontrol program is an important part of the Federal and State cooperative effort to acquire, produce, and distribute biological agents for Russian wheat aphid (RWA), leafy spurge, diffuse and spotted knapweed, Colorado potato beetle, European corn borer, cereal leaf beetle, euonymus scale, and the common crupina. Biological control constitutes an ecologically based, efficient pest management tactic that is fully compatible with other components of modern integrated pest management. Also, it is an environmentally sound approach to existing and future pest control strategies. Additional funding is for the USDA, National Biological Control Program (NBCP) initiative. The goal of the NBCP initiative is to improve the capacity for farmers, foresters, and homeowners to solve pest problems in ways that enhance the sustainability of American agriculture and forestry. The NBCP is an Interagency Biological Control Coordinating

Committee initiative designed to conduct research and implement biological control technology within the context of integrated pest and crop management systems and reduce dependency on pesticides. The Committee consists of five USDA agencies--ARS, CSRS/SAES, FS, APHIS, and ES/CES. A national biological control program would make it possible to launch coordinated applied research, demonstration, implementation, and educational programs in response to environmental and economic risk concerns. The required knowledge base and specialized development need to be advanced to furnish adequate biological control options for APHIS programs. The NBCP is APHIS' opportunity to enrich and augment its ongoing biological control programs, while maintaining the flexibility to respond to unforeseen pest outbreaks. Thus, the NBCP will assure more effective use of existing resources and increase both the level of activity and scope of research and implementation.

Nature of Change. Existing APHIS biological control projects will have significant increases in foreign collection, quarantine screening, mass production, release, and evaluation of exotic natural enemies for projects such as purple loosestrife and Mexican and Mediterranean fruit flies. The increased funds will create additional manpower and production facility space to substantially increase mass production of natural enemies and the number of release sites. This will result in larger releases of natural enemies in a more timely fashion, which can lead to quicker pest problem resolution. The increase will fund activities for the RWA program. The National Biological Control Institute (NBCI) would significantly increase services by providing more detailed biological control data base systems and more quickly respond to the needs and requests of State cooperators, the public, and research communities.

- (f) A decrease of \$3,380,000 for boll weevil program (\$13,135,000 available in FY 1993).

Need for Change. Boll weevil activity consists of three cooperative programs: the High Plains control program, the Southeast eradication program, and the Southwest eradication program. The goal of the High Plains program is to prevent the boll weevil from spreading into the non-infested areas of west Texas from the rolling plains area to the South and West. The Southeast eradication program has eradicated the boll weevil from Virginia, North Carolina, and South Carolina. Growers in the eradicated areas report substantial benefits as a result of this program.

The original Southwest eradication area, which included parts of southern California, western Arizona, and northern Mexico near the California border, was declared eradicated for boll weevil in 1987. The program was expanded in FY 1988 to include central Arizona and northern Mexico, near the Arizona border.

APHIS is confirming eradication in southern South Carolina (the former buffer zone), Georgia (except northwest Georgia), Florida, and southeast Alabama. APHIS expanded the eradication program into northeast Alabama in the spring of 1992.

APHIS plans to expand the eradication program into northwest Georgia and central Alabama in FY 1993. If the necessary grower referenda are approved, APHIS plans to further expand the program into north central Alabama and southeast Tennessee.

Effective in FY 1993, boll weevil funding will be no-year money. The funding requested for FY 1994, along with potential carry-over funds from FY 1993, should be sufficient to continue the eradication activities begun in central Alabama and northwest Georgia in FY 1993.

Nature of Change. APHIS will monitor eradicated areas and continue eradication activities in the new expansion area. APHIS will not expand the program beyond the eradication areas begun in FY 1993.

- (g) A decrease of \$1,674,000 for the brucellosis program (\$33,000,000 available in FY 1993).

Need for Change. The brucellosis eradication program is a cooperative venture in which the Federal government can provide 60 percent of the funding and States must provide at least 40 percent. The brucellosis eradication program is operating under the industry supported Rapid Completion Plan (RCP). The success of the eradication program is significant. Nationwide there are 32 States, plus the District of Columbia, Puerto Rico, and the U.S. Virgin Islands, in Class "Free" status, 17 States in Class "A" status, and only one State Texas, in Class "B." As of January 31, 1993, there were 380 herds under quarantine for brucellosis compared with 504 herds at the end of January 1992. Under the RCP, brucellosis would be eliminated from the United States by the end of FY 1998.

Nature of Change. APHIS will continue to carry out the successful brucellosis eradication program. Funds will be available for first point of concentration testing in only the higher incidence States. Depopulation funds would be available for use in Class "A" States to rapidly eliminate selected affected herds with unusually high or persistent levels of infection.

- (h) A decrease of \$1,647,000 for the cattle tick program (\$6,172,000 available in FY 1993).

Need for Change. APHIS participates in cooperative cattle tick eradication programs in Texas and the Commonwealth of Puerto Rico. The Puerto Rico program, initiated in 1979, receives most of its funding from a \$10.8 million block grant which is transferred to APHIS from the Food and Nutrition Service (FNS). The Puerto Rico effort will be funded entirely from the FNS transfer.

Nature of Change. APHIS will continue to administer the FNS reimbursement and manage the program, but will cease funding, Federal supervisory personnel, equipment, pesticides, gasoline, and vehicle maintenance. These costs will then be funded from the FNS block grant. The cooperative agreement with Puerto Rico for the hiring of field personnel will be renewed. Support for the Texas program will remain at the present level.

- (i) A decrease of \$211,000 for golden nematode program (\$862,000 available in FY 1993).

Need for Change. The goal of the program is to prevent the spread of golden nematode to new locations outside the regulated areas in New York, or to any other state. APHIS is accomplishing this goal by developing a biologically based management program that will result in the gradual elimination of golden nematode from currently infested areas. The management program includes crop rotation, cultural practices, and the use of resistant potato varieties. As growers rely more on resistant varieties, survey needs in New York will diminish.

Nature of Change. Twelve hundred acres of exposed land in upstate New York and 400 acres on Long Island, will be turned over to the State for survey. APHIS will not process soil samples from these areas.

- (j) A decrease of \$2,775,000 for grasshopper/mormon cricket program (\$6,350,000 available in FY 1993).

Need for Change. The program to control grasshopper and Mormon cricket infestations in the Western States is evolving into a proactive program, stressing forecasting of pest outbreaks and integrated pest management techniques. The APHIS Integrated Pest Management (IPM) project, which in FY 1994 will be in the final year of the 3-year technology transfer period, is committed to developing and implementing long-term, environmentally safe solutions to grasshopper control. The intensive control measures of the past few years, along with favorable weather conditions, have contributed toward reductions in infestations.

Due to low grasshopper populations in the past few years, APHIS anticipates carrying substantial reserve funds into FY 1994. The reserve funds will be available for control activities.

Nature of Change. APHIS will continue to carry out cooperatively funded annual surveys and respond to requests from Federal land managers, State cooperators, and private land owners for technical assistance and cooperative control programs. The Agency will also complete the 3-year effort to transfer to the States and growers the technologies developed in the IPM project. APHIS will fund grasshopper control activities and the IPM project from the no-year funds carried over from prior fiscal years.

- (k) A decrease of \$158,000 in the honey bee pest program (\$531,000 available in FY 1993).

Need for Change. In FY 1994, the program's goal is to assist with coordination and facilitation of the state run National Honey Bee Certification Program (NHBCP) which retards the man assisted spread of honey bee pests. Funds are decreased as APHIS transfers the primary role in Africanized honey bee (AHB) trapping to states and local agencies.

Nature of Change. APHIS will transfer technology via identification training and equipment loaned to states. Also, APHIS will provide traps and supplies through cooperative agreements to states for detection surveys. By this time, the USDA, Extension Service will have assumed the lead Federal role in disseminating information on new or improved agricultural practices and technologies on managing honey bees in an AHB environment.

- (l) A decrease of \$3,698,000 for imported fire ant (IFA) program (\$3,698,000 available in FY 1993).

Need for Change. Since 1977, no control substance that is registered for use on most agricultural lands has been proven to be effective against the IFA. Since 1985, the Agency has not received any requests from states for cooperative treatment programs and states have in many cases proven themselves able to successfully eradicate small isolated infestations outside the regulated area. Areas currently regulated include: Alabama, Arkansas, Florida, Georgia, Louisiana, Mississippi, North Carolina, Oklahoma, Puerto Rico, South Carolina, Tennessee, and Texas.

Nature of Change. APHIS would eliminate this line item since no effective, efficient, and environmentally acceptable control agents are available. All regulatory and survey activities would be conducted by the states. APHIS will continue under the plant methods development line item, to evaluate the efficacy of regulatory treatments to prevent further artificial spread of the IFA.

- (m) A decrease of \$147,000 for the noxious weed program (\$625,000 available in FY 1993).

Need for Change. APHIS works with State and local agencies to detect noxious weeds and prevent them from damaging U.S. agriculture. The program began in 1979 with surveys in 25 States and Puerto Rico, port-of-entry inspections, hydrilla control in Florida, and the formation of a technical committee to evaluate noxious weeds. In recent years, funding has been provided for control efforts directed at common crupina, goatsrue, hydrilla, and weed identification, but not for comprehensive surveys. However, the States' cooperation in the control and eradication of noxious weeds and the program's successes in the goatsrue and hydrilla programs resulted in a decrease in funding for the noxious weed program in FY 1992.

Nature of Change. APHIS will conduct surveys for newly introduced noxious weeds in the Northeastern and South Central regions only. The Grant Agreement with Florida to conduct the Mimosa pigra survey and

control program will be funded. However, limited funds will be available to prevent the spread of common crupina, hydrilla, goatsrue, and salsola to noninfested areas. Very little funds will be provided for supplies, equipment, and personnel to conduct eradication, suppression, and survey of noxious weeds.

- (n) A decrease of \$1,243,000 for pink bollworm program (\$2,292,000 available in FY 1993).

Need for Change. APHIS conducts a regulatory, survey and control program to prevent the spread of the pink bollworm to noninfested areas. An important aspect of this program is the release of sterile moths. Since 1968, the program has released sterile moths in the San Joaquin Valley of California to prevent establishment of fertile moths that migrate from the South. APHIS, California, and cotton producers operate a sterile moth rearing facility in Phoenix, Arizona. In FY 1990, the cotton producers purchased a replacement facility for the sterile moth rearing operation. Congress appropriated funds in FY's 1991, 1992, and 1993 to purchase equipment for the replacement facility, and to prepare the building for installation of the equipment. By the end of FY 1993, APHIS will have purchased the equipment needed to match the production capacity of the old rearing facility.

Nature of Change. APHIS will conduct a regulatory program to prevent the artificial spread of pink bollworm to uninfested areas of the country. APHIS will also survey for pink bollworm in non-infested cotton producing states. APHIS will continue to contribute 8 percent of the funds for the operation of the sterile moth rearing facility. APHIS will not purchase the additional equipment needed to expand the production capacity of the sterile moth rearing facility. The expanded production capacity would be necessary if APHIS conducted a 3 year Integrated Pest Management demonstration project using pheromone systems, sterile moth release, and short-season cultural practices.

- (o) A decrease of \$674,000 for the pseudorabies program (\$4,143,000 available in FY 1993).

Need for Change. APHIS fully supports this cooperative State-Federal-industry program to eradicate pseudorabies. However, the Agency believes that States and industry have gained sufficient program expertise to allow for a slightly increased role in accomplishing the goals of the industry-developed 10-year eradication plan.

Nature of Change. APHIS will continue to provide direct support for local programs to control or eradicate pseudorabies, but at a reduced level. The Agency will continue to provide national program coordination, technical advice, regulatory assistance, public information, and recordkeeping at a slightly reduced level.

- (p) A decrease of \$2,400,000 for the Russian wheat aphid (RWA) program line-item (\$2,400,000 available in FY 1993).

Need for Change. Since the RWA program is dedicated to biological control technologies in APHIS, and utilizes the same staff and facilities involved in biological control programs, the Agency believes that the RWA program should be merged into the biological control line item.

Nature of Change. APHIS will no longer fund the RWA program as an individual line item. In FY 1994, program activities will be supported under the biocontrol program. The biocontrol line item includes funds of \$2.4 million to continue the RWA program.

- (q) An increase of \$2,583,000 for the scrapie program (\$846,000 available in FY 1993).

Need for Change. The current scrapie program provides funding for limited surveillance and monitoring of infected and source flocks,

epidemiologic tracing, and appraisals for limited Federal indemnity. Also, scrapie funds support the Scrapie Investigation Center in Mission, Texas and cooperative research to develop a preclinical diagnostic test and determine routes of transmission.

In addition to current program activities, the sheep industry, States, and USDA recognized a need for an effective regulatory program to reduce the incidence of scrapie, control the spread of the disease, and design a program in which flocks can be certified as scrapie-free. For this reason, a Scrapie Negotiated Rulemaking Advisory Committee was established in FY 1990. The key committee recommendations included two proposed regulations: (1) implementation of a voluntary flock certification initiative and (2) a one-time depopulation program for known-infected flocks.

APHIS will use contingency funds to pay indemnities in FY 1993. Owners of known infected flocks must agree to enter a flock certification program to receive indemnity. Once these funds are exhausted, no further funding will be provided for indemnity. Interstate movement restrictions will be placed on infected or source flocks not participating in the program. Funding is needed to provide for certification program setup and implementation costs.

Nature of Change. Funding would provide for setup and implementation costs of the Voluntary Scrapie Flock Certification Program, as recommended by the Scrapie Negotiated Rulemaking Committee. Setup costs include development of a data management system, purchase of computers, purchase of readers for electronic identification devices, and training and certification of pathologists in diagnostic laboratories participating in the program. Implementation costs include inspection and monitoring of participating flocks, producer education, epidemiologic investigations and tracebacks, and records and data management. The field work force would be increased in States with high flock participation. Although indemnity paid under the current scrapie program will be eliminated, other current program activities such as surveillance, monitoring, and traceback would remain in place for flocks which do not participate in the voluntary certification program.

- (r) An increase of \$500,000 for sweetpotato whitefly (SPW) program (\$3,000,000 available in FY 1993).

Need for Change. The SPW program's goal is to introduce natural enemies of SPW into the United States that will reduce its populations below the economic injury level, and reduce the demand for insecticides. The SPW attacks over 500 crop and ornamental species. Crops include alfalfa, broccoli, cabbage, carrots, cantaloupe, cauliflower, celery, citrus, cotton, cucumber, eggplant, honeydew melon, lettuce, peanuts, peppers, squash, tomatoes, poinsettias, and other ornamentals. The whiteflies suck juices from plants and transmit viruses and other diseases. They also secrete honeydew, a sugary substance that nourishes mold and bacterial growth of plants. A black mold that develops on the open cotton boll fibers can cause significant economic losses. The SPW has been recovered and identified in field populations throughout the Southern region of the United States and in greenhouses as far north as Canada. Because the SPW has been proven to be highly resistant to chemical control methods and has no effective natural enemies, the amount of damage caused has significantly increased. In 1992, the cotton strain of whitefly caused million dollar losses in southeastern California and in Florida. Whitefly populations have dramatically increased in the last 3 years, causing tremendous economic losses throughout the agricultural community. In November 1991, California declared an emergency in Imperial and Riverside Counties, which provide most of the nation's winter vegetable supplies. Until effective natural enemies are found, an increasing amount of fruits and vegetables will be at risk.

Nature of Change. In response to the SPW threat, APHIS will increase cooperative efforts with ARS and CSRS in expediting and intensifying a

program to evaluate and implement biological control technology for use against the SPW outbreak. APHIS will increase surveys to determine the extent of SPW infestations. These surveys would enable APHIS to identify the pest's native natural enemies and establish exotic natural enemies to determine their rate of natural dispersal. The Agency will increase mass production and release of natural enemies, monitor the establishment and dispersal of these natural enemies, and evaluate their biological and economic impact. In addition, APHIS will start evaluating the use of insect pathogens on SPW control.

- (s) An increase of \$1,705,000 for the tuberculosis (TB) program (\$3,860,000 available in FY 1993).

Need for Change. The objective of the TB program is to eradicate bovine TB from the United States; however, the current TB program only provides funding to reduce the incidence of bovine tuberculosis and prevent the spread of the disease. Several program components must be expanded in order to meet this goal. Chief among them is the payment of indemnity.

TB in Cervidae and Camelidae has increasingly become a problem. At the end of September 30, 1992, there were 13 known infected deer or elk herds in Idaho, Montana, Colorado, Nebraska, Oklahoma, Texas, Wisconsin, and New York. APHIS is conducting an in-depth risk assessment of TB and reviewing programmatic changes, such as including deer and elk in interstate movement regulations and eventually adding deer and elk to the TB Uniform Methods and Rules.

Presently, resources are not available to conduct thorough investigations of all feedlot origin TB cases. The proposal would allow for more effective investigations of feedlot cases to determine exposure in the feedlots and to conduct tracing to source herds. In addition, more resources are needed to develop more effective diagnostic tests for TB. Funding is needed to help move the United States towards the 1998 goal of bovine TB eradication.

Nature of Change. Funding would provide for increased TB eradication activities including funds for depopulation of 100 percent of the exposed animals traced to new herds and all but the larger dairy herds. Special procedures such as the task force approach in tuberculosis high risk areas of Puerto Rico, parts of Louisiana, New Mexico, and Texas would be carried out. Funds would be provided to support the U.S.-Mexico joint effort of eliminating the TB threat to the American cattle industry. Funds would allow for APHIS to more effectively manage Bovine TB in Cervidae and Camelidae raised under agricultural conditions.

Funds would allow for expanding traceback investigations of TB beyond the feedlot for steers that originate in the United States and may have been exposed to tuberculosis at their herd of origin. In addition, funds would be provided to improve monitoring and detection of infection. For example, the development and application of serological surveillance tests and procedures for bovine tuberculosis would continue. These new technological approaches for the eradication and control of TB will be coordinated with the Agricultural Research Service. The U.S. would move toward the 1998 goal of eradication of bovine TB.

- (t) A decrease of \$1,304,000 for the witchweed program (\$5,386,000 available in FY 1993).

Need for Change. The program's goal is to prevent the spread of witchweed to host crop producing areas in the United States and move toward eventual eradication of this pest. Witchweed is a parasitic plant that attacks corn, sorghum, sugarcane, rice, and more than 60 species of the grass family. Witchweed kills its host by robbing it of water and nutrients, thus preventing the crop from producing any yield. APHIS plans a 1995 phase down of the witchweed eradication program. From 1991 to 1993, a reduction of 67 percent in witchweed infested acreage was accomplished, leaving about 40,000 acres for eradication.

As less acres remain to be eradicated, fewer personnel will be needed to operate the program.

Nature of Change. The decrease is consistent with the planned phase down of the program. As less acres remain to be eradicated, fewer personnel will be needed to operate the program. APHIS will conduct survey, regulatory, and control activities to reduce witchweed infested acreage. Approximately 12,000 acres will be treated during 1994 by using control measures, such as specific herbicides, soil fumigants, and a seed stimulant.

(5) A net increase of \$198,000 for animal care activities, consisting of:

- (a) An increase of \$130,000 which reflects a 2.7 percent increase in non-salary costs.
- (b) An increase of \$164,000 which reflects the annualization of the FY 1993 pay raise.
- (c) A decrease of \$93,000 for administrative efficiency.

Need for Change. To promote the efficient use of resources for administrative purposes, in keeping with the President's Executive Order, total USDA baseline outlays for these activities will be reduced by 3 percent in FY 1994, 6 percent in FY 1995, and 14 percent in FY 1997.

Nature of Change. To achieve the savings in these line items, the Agency will reduce travel, utilities, rent, printing and reproduction, cooperative agreements, and supplies.

(d) A decrease of \$3,000 for FTS 2000 funding.

This decrease reflects lower long distance telecommunications prices due to price redeterminations in the FTS 2000 contracts.

(6) A net increase of \$4,243,000 for scientific and technical services activities consisting of:

- (a) An increase of \$653,000 which reflects a 2.7 percent increase in non-salary costs.
- (b) An increase of \$651,000 which reflects the annualization of the FY 1993 pay raise.
- (c) A decrease of \$501,000 for administrative efficiency.

Need for Change. To promote the efficient use of resources for administrative purposes, in keeping with the President's Executive Order, total USDA baseline outlays for these activities will be reduced by 3 percent in FY 1994, 6 percent in FY 1995, and 14 percent in FY 1997.

Nature of Change. To achieve the savings in these line items, the Agency will reduce travel, utilities, rent, printing and reproduction, cooperative agreements, and supplies.

(d) A decrease of \$17,000 for FTS 2000 funding.

This decrease reflects lower long distance telecommunications prices due to price redeterminations in the FTS 2000 contracts.

(e) A decrease of \$164,000 for animal damage control methods development program (\$9,517,000 available in FY 1993).

Need for Change. The mission is to protect American agriculture and other resources through identification, demonstration, and application of effective methods for controlling wild and free ranging animals that are detrimental to agriculture, other wildlife, and public safety.

Nature of Change. Funds will continue to be used to support a program that focuses on maintaining and improving current methods for controlling damage caused by wild and free ranging animals; and to continue to search for alternative methods. APHIS will slow the pace of reregistration of the program's lowest priority vertebrate pesticides to adjust for the budget reduction.

- (f) A decrease of \$102,000 for biotechnology and environmental protection program (\$7,652,000 available in FY 1993).

Need for Change. The need to devote additional resources in other areas, principally AQI, international programs, and TB eradication, necessitate a modest budget reduction for biotechnology and environmental protection in FY 1994.

In FY 1992, APHIS consolidated its three environmentally related units--Environmental Analysis and Documentation (EAD), Technical and Scientific Services (TSS) staff, and the National Monitoring and Residue Analysis Laboratory--under one division. This represents the first step toward establishing a "circle of environmental protection" within APHIS by bringing together the Agency's environmental planning, monitoring, and evaluation functions. This is expected to generate some savings in FY 1994 through increased efficiency. APHIS' EAD unit currently includes 12 temporary employees specifically hired to prepare the programmatic Medfly Environmental Impact Statement, which is due to be completed in FY 1993.

Nature of Change. In the biotechnology area, APHIS will devote most of its energies toward conducting reviews of licenses and permits. As the workload increases, we would not sacrifice the quality of reviews, choosing instead to prioritize requests and address those with the highest ranking in a systematic fashion. We will curtail activities devoted to international harmonization of biotechnology regulations aimed at preventing potential trade barriers.

In environmental protection, we would continue implementation of the "circle of environmental protection" concept by further integrating activities of the Environmental Analysis and Documentation staff with the National Monitoring and Residue Analysis Laboratory (NMRAL) at Gulfport, Mississippi, and the headquarters-based TSS staff. We will continue to prepare environmental documents in a prioritized fashion. Outside contractors will be used for preparation of many environmental statements on major APHIS programs, the cost of which will be borne by the affected program line items. The 12 temporary employees currently involved in preparation of the Medfly environmental impact statement, which will have been completed by the beginning of FY 1994, would be terminated.

The TSS staff would be reduced, with a focus on maintaining Agency access to control tools. The reduction will also be offset at NMRAL by reliance on contracting for work to help pay operating and equipment costs and with some reduction in responsiveness to program needs. In addition, costs for specific monitoring projects will be assessed in full to the individual line items for the programs being monitored.

- (g) An increase of \$2,507,000 for the Integrated Systems Acquisition Project (ISAP) (\$2,507,000 available in FY 1993).

Need for Change. ISAP is an Agency initiative to establish a mechanism to procure ADP equipment, software, and services which will enable APHIS' many information management applications to be developed and operate in a consistent, common ADP environment. This procurement is designed to replace the Agency's current mixture of incompatible, antiquated ADP systems. The ISAP initiative will improve the delivery and administration of Agency programs by integrating technologies and information across all levels of the Agency.

This project is being implemented at a time when APHIS, as a result of its strategic planning process, has recognized that it must place a greater emphasis on its role as a collector and disseminator of

information relevant to animal and plant pests, pathogens, and diseases.

We expect additional benefits to all APHIS programs; following are two examples of how ISAP will improve data base management within APHIS. The Agency's Veterinary Services Unit has a number of independent noncompatible databases which are used to track disease outbreaks. ISAP will allow the implementation of the Brucellosis Reporting System, Recorded Emergency Animal Disease Information System, and Tuberculosis Information Management System data bases, which will all be compatible and be able to share information with the National Animal Health Monitoring System data base. The Plant Protection and Quarantine Unit has four data bases at various stages in the system life cycle, which target APHIS's support of plant programs. The Pest Information Network, the Export Certification Project, the Emergency Response Automated Data System, and the National Agricultural Pest Information System will benefit from ISAP. The increased timeliness and accessibility of centralized essential information will shorten response time to disease outbreaks and save American agriculture hundreds of millions of dollars.

Another category of benefits to APHIS, as a result of ISAP, will be in the area of expanded management information access. Programs like the Direct Customer Support System, the Management Support System, and the Animal Damage Control Management Information System, are all programs where increased management involvement and awareness will be possible as a result of ISAP.

The systems life benefits, for those eight programs discussed above (out of 158 APHIS programs), exceed \$850 million, whereas the equipment and software to be procured under ISAP (for all 158 programs) will cost less than one-third of that amount. These benefits will improve productivity, commonality, and management dissemination of information.

The total estimated cost of the project for full implementation at all APHIS sites is approximately \$251 million. The system life of the project is estimated at 10 years to achieve full implementation benefits. Older equipment, such as non state-of-the-art microcomputers, would be utilized until the end of the 5-year procurement process.

Nature of Change. The funds requested will finance the third budget year of a multi-year acquisition. Procurement will include computer hardware, software, and management services. Funds will also be provided to operate a small staff of technical and procurement specialists to manage the contract.

- (h) An increase of \$614,000 for veterinary biologics program (\$9,729,000 available in FY 1993).

Need for Change. Under the authority of the Virus-Serum-Toxin Act, APHIS regulates the sale, manufacture, and distribution of veterinary biologics in the United States. In recent years, APHIS has been challenged to meet a steadily growing volume of license submissions, which are expected to almost double between 1990 and 1994. At the same time, complexity of these products has increased at a tremendous rate. This rise in complexity has in turn generated a sharp elevation in the number of consumer requests for information about the safety and use of these products. Finally, the rapid growth in international trade has increased the need to harmonize veterinary biologics regulations between nations. Harmonization is vital to the reduction of trade barriers that would disrupt the flow of beneficial biologics to American agriculture, and helps foster the growth of the American biologics industry.

Nature of Change. This funding level would allow the licensing unit to add three technical reviewers to its staff to help keep pace with the increasing volume and complexity of submissions. The positions would also support activities aimed at reducing regulatory barriers to U.S. biological products and revising regulatory procedures to reflect the

changing technology. In addition, the increase would allow the program to expand consumer information activities and increase the frequency of pre-licensing inspections of manufacturing facilities.

- (i) An increase of \$602,000 for the veterinary diagnostics (VD) program (\$14,335,000 available in FY 1993).

Need for Change. APHIS is performing laboratory procedures, some derived through biotechnology, for disease eradication programs, export testing, and foreign animal and poultry disease diagnostic work. New technological procedures are critical because they provide the Agency with the efficient, accurate, and timely diagnostics required in the various programs. In addition, they enable APHIS to conduct increasingly definitive tests and procedures which will lead to decreasing animal and poultry disease losses, enhancement of exports, and assurances against entry of foreign animal and poultry diseases.

Nature of Change. Increased funding will provide for diagnostic support, including differential diagnosis and diagnostic laboratory assistance, to the livestock and poultry industry of the United States. There would be expanded development of diagnostic procedures by molecular biological techniques. It will also provide for the development and evaluation of new diagnostic procedures derived through biotechnology with particular emphasis on the rapid and accurate identification of foreign animal and poultry diseases.

Animal and Plant Health Inspection Service
Geographic Breakdown of Obligations and Staff-Years
1992 Actual and Estimated, 1993 and 1994

	<u>1992</u>		<u>1993</u>		<u>1994</u>	
	<u>Amount</u>	<u>Staff Years</u>	<u>Amount</u>	<u>Staff Years</u>	<u>Amount</u>	<u>Staff Years</u>
Alabama.....	5,672,630	78	5,812,000	81	5,882,000	82
Alaska.....	503,917	7	516,000	7	523,000	7
Arizona.....	7,292,084	100	7,343,000	103	7,431,000	104
Arkansas.....	3,109,388	43	3,186,000	45	3,224,000	45
California....	26,789,407	418	42,102,000	482	20,359,000	400
Colorado.....	17,743,605	300	18,165,000	305	18,382,000	300
Connecticut...	584,725	8	599,000	8	606,000	8
Delaware.....	559,456	8	573,000	8	580,000	8
Florida.....	24,217,099	337	24,641,000	345	24,936,000	351
Georgia.....	7,017,661	116	7,178,000	116	7,264,000	116
Hawaii.....	17,776,066	250	18,213,000	255	18,431,000	250
Idaho.....	3,066,023	53	3,091,000	53	3,127,000	43
Illinois.....	2,440,614	34	2,356,000	33	2,385,000	33
Indiana.....	1,417,102	19	1,430,000	20	1,448,000	20
Iowa.....	21,049,527	280	20,366,000	279	20,610,000	276
Kansas.....	1,939,758	27	1,987,000	28	2,011,000	28
Kentucky.....	2,349,322	32	2,387,000	33	2,415,000	33
Louisiana.....	5,741,701	79	5,883,000	82	5,953,000	83
Maine.....	2,223,211	27	1,725,000	24	1,745,000	24
Maryland.....	56,583,332	760	57,535,000	772	55,823,000	700
Massachusetts.	8,012,094	111	8,006,000	112	8,102,000	114
Michigan.....	4,381,803	65	4,474,000	67	4,528,000	68
Minnesota.....	10,748,454	139	10,791,000	140	10,136,000	123
Mississippi...	6,728,455	93	6,894,000	97	6,977,000	99
Missouri.....	3,996,841	55	4,095,000	57	4,144,000	58
Montana.....	4,093,769	56	4,179,000	59	4,229,000	60
Nebraska.....	1,775,965	24	1,789,000	25	1,810,000	25
Nevada.....	2,028,128	28	2,078,000	29	2,103,000	29
New Hampshire.	703,791	10	721,000	10	730,000	10
New Jersey...	8,648,653	122	8,861,000	124	8,968,000	126
New Mexico...	2,524,182	35	2,586,000	36	2,617,000	36
New York.....	17,602,115	252	18,020,000	252	18,236,000	256
North Carolina.....	8,518,526	148	8,656,000	144	8,759,000	146
North Dakota.	2,964,942	40	3,002,000	42	3,038,000	42
Ohio.....	1,823,650	24	1,810,000	25	1,831,000	25

	<u>1992</u>		<u>1993</u>		<u>1994</u>	
	<u>Amount</u>	<u>Staff Years</u>	<u>Amount</u>	<u>Staff Years</u>	<u>Amount</u>	<u>Staff Years</u>
Oklahoma.....	3,189,032	44	3,267,000	46	3,307,000	45
Oregon.....	5,379,095	51	3,764,000	53	3,810,000	53
Pennsylvania..	4,153,086	57	4,255,000	60	4,306,000	60
Rhode Island..	946,246	13	970,000	14	981,000	14
South Carolina.....	5,449,031	75	5,571,000	78	5,638,000	78
South Dakota..	1,507,003	21	1,544,000	22	1,563,000	22
Tennessee.....	3,167,420	43	3,233,000	45	3,272,000	45
Texas.....	36,790,206	623	37,567,000	631	38,017,000	640
Utah.....	8,655,955	118	8,801,000	124	8,907,000	126
Vermont.....	678,017	9	695,000	10	703,000	10
Virginia.....	1,611,646	22	1,635,000	23	1,654,000	23
Washington....	9,317,865	60	3,817,000	53	3,863,000	53
West Virginia.	798,177	11	805,000	11	814,000	11
Wisconsin.....	3,179,163	44	3,147,000	44	3,184,000	44
Wyoming.....	1,761,373	24	1,805,000	25	1,826,000	25
Wash., DC.....	6,621,806	88	6,987,000	91	6,548,000	82
Puerto Rico...	23,332,039	172	23,640,000	180	12,968,000	180
Virgin Islands.....	442,309	4	453,000	4	459,000	4
Asia/Pacific..	988,690	6	1,013,000	6	1,025,000	6
Bahamas.....	430,333	8	441,000	8	446,000	8
Central America.....	6,870,980	30	7,040,000	33	7,124,000	34
Chile.....	300,748	3	308,000	3	312,000	3
Colombia.....	1,744,450	4	1,787,000	4	1,809,000	4
Dominican Republic.....	320,601	5	328,000	5	332,000	5
Europe/Africa.	1,265,595	6	1,297,000	7	1,312,000	7
Guam.....	327,509	5	335,000	5	340,000	5
Guatemala.....	3,407,967	18	3,492,000	20	3,534,000	20
Haiti.....	200,835	1	206,000	1	208,000	1
Mexico.....	28,332,144	197	28,810,000	202	29,155,000	207
Panama.....	971,155	2	995,000	2	1,007,000	2
Venezuela.....	307,744	2	315,000	2	318,000	2
Total, available or estimate.....	455,076,216	5,944	469,373,000	6,110	438,085,000	5,947

Note:

(1) Total staff-years for FY 1992, 1993, and 1994 are 6,244, 6,530, and 6,470 respectively when staff-years for miscellaneous trust funds and reimbursements are included.

(2) The total for 1993 includes estimated spending of \$25.9 million of CCC funds for the fruit fly emergency program in California.

ANIMAL AND PLANT HEALTH INSPECTION SERVICE

The estimates include appropriation language for this item as follows (new language underscored; deleted matter is enclosed in brackets):

Buildings and Facilities

- 1 For plans, construction, repair, preventive maintenance, improvement, extension, alteration, and purchase of fixed equipment or facilities, as authorized by 7 U.S.C. 2250, and acquisition of land as authorized by 7 U.S.C. 428a, [\$10,400,000] \$10,272,000, to remain available until expended (7 U.S.C. 2209b).

This change would provide authority for funding major preventive maintenance projects identified under the newly established APHIS Facilities Maintenance Program.

BUILDINGS AND FACILITIES

Appropriations Act, 1993.....	\$10,400,000
Budget Request, 1994.....	<u>10,272,000</u>
Decrease in Appropriation.....	<u>-128,000</u>

SUMMARY OF INCREASES AND DECREASES
(on basis of appropriation)

<u>Item of Change</u>	<u>1993 Estimated</u>	<u>Other Changes</u>	<u>1994 Estimated</u>
Decrease of one time construction projects in 1993.....	\$5,000,000	-\$5,000,000	--
Basic buildings and facilities repair, alterations, and preventive maintenance.....	5,400,000	+1,828,000	\$7,228,000
Complete Phase IB of the Denver Wildlife Research facility in Ft. Collins, Colorado.....	--	+2,000,000	2,000,000
Replace the Animal Predator facility in Millville, Utah.	--	+500,000	500,000
Expand the Plant Methods Development Rearing facility in Mission, Texas.....	--	+672,000	672,000
Administrative savings.....	<u>--</u>	<u>-128,000</u>	<u>-128,000</u>
Total Available.....	<u>10,400,000</u>	<u>-128,000</u>	<u>10,272,000</u>

BUILDINGS AND FACILITIESPROJECT STATEMENT
(On basis of available funds)

	1992 Actual	1993 Estimated	Increase or Decrease	1994 Estimated
Total Obligations...	\$4,572,168	\$10,400,000	-\$128,000	\$10,272,000
Unobligated balance available, start of year.....	-23,393,014	-40,216,846	--	--
Unobligated balance available, end of year.....	40,216,846	40,216,846	--	--
Total, Appropriated funds.....	21,396,000	10,400,000	(1) -\$128,000	\$10,272,000

EXPLANATION OF PROGRAM

The APHIS appropriation "Buildings and Facilities" funds major non-recurring construction projects in support of specific program activities and recurring construction, alterations, preventive maintenance, and repairs of existing APHIS facilities.

JUSTIFICATION OF INCREASES AND DECREASES

- (1) A net decrease of \$128,000 for buildings and facilities (\$10,400,000 available in FY 1993).

- (a) A decrease of \$128,000 for administrative efficiency.

Need for Change. To promote the efficient use of resources for administrative purposes, in keeping with the President's Executive Order, total USDA baseline outlays for these activities will be reduced by 3 percent in FY 1994, 6 percent FY 1995, and 14 percent in FY 1997.

Nature of Change. To achieve the savings in this line item, the Agency will reduce contracts and other services.

- (b) A decrease of \$5,000,000 for one-time construction projects in FY 1993.

Need for Change. Construction or design of the one time projects identified in the FY 1993 request will be completed.

Nature of Change. The following projects will be built or designed with the funds requested in FY 1993 (in millions of dollars):

Screwworm Plant Master Plan and Design	\$0.5
Design of the Plant	
Germ Plasm Quarantine Facility, Phase III	1.0
Plum Island Modernization	3.5
	5.0

- (c) An increase of \$1,828,000 for recurring construction, alterations, preventative maintenance, and repairs of existing facilities.

Need for Change. The basic buildings and facilities budget funds recurring design, construction, repairs, alterations and improvements to APHIS facilities. These facilities include animal quarantine stations, border inspection stations, sterile insect rearing facilities, and laboratories. As the buildings age, major repairs or replacement of items, such as roofs, and heating and ventilation systems become critical to the overall building operation. The Agency performs these repairs and replaces items as needed.

APHIS established in FY 1991, for the first time, a preventive maintenance program. The program is designed to identify deficiencies within its currently owned facilities and to develop a strategy to effectively and efficiently maintain these facilities. The strategy will permit repairs to be made prior to the problems becoming an impediment to facility operation.

Environmental protection is a major concern of the APHIS buildings and facilities program. Beginning in FY 1994, APHIS will establish a separate fund within basic buildings and facilities to pay for construction improvements which enhance environmental protection. These environmental needs include improvements necessary to meet local enforcement requirements outlined in the Clean Air and Clean Water Acts.

Nature of Change. This increase will allow more timely and adequate maintenance and repair of the APHIS operated facilities. The increase will provide for planning, and contract services in support of construction projects that are identified as environmental issues, or are identified by the Facilities Maintenance Program during the fiscal year. The increased funding will be allocated as follows:

Basic Buildings and Facilities	\$1,028,000
Environmental Support	500,000
Facilities Maintenance Program	300,000
	<u>1,828,000</u>

- (d) An increase of \$2,000,000 to complete Phase IB of the Denver Wildlife Research Center in Ft. Collins, Colorado.

Need for Change. In FY 1990, the Animal and Plant Health Inspection Service (APHIS) approved the master plan for the development of the Denver Wildlife Research Center in Ft. Collins, Colorado.

The existing animal research facilities at the Denver Wildlife Research Center (DWRC), located at the Denver Federal Center (DFC) in Lakewood, Colorado, are either inadequate or are incompatible with the General Services Administration (GSA) Master Plan for the Federal Complex. A portion of DWRC's animal holding pens and associated support buildings have already been demolished as part of the DFC Master Plan. New facilities for Animal Damage Control (ADC) research are vital for developing alternative solutions to wildlife damage problems. Based on the need for a more suitable location, APHIS has established a long-term cooperative agreement with Colorado State University (CSU) that provides ideally located space for an alternative ADC research program in Ft. Collins. Relocation of the DWRC to Ft. Collins has been supported by the Department and the Secretary's National Animal Damage Control Advisory Committee. In addition, the House Committee on Appropriations has provided the Secretary with the Committee's endorsement for construction of the animal research facility at CSU.

Funding has been appropriated for Fiscal Years 1990 and 1992 with a combined total of \$8,500,000. This funding has supported PHASE 1A and part of PHASE 1B of the Master Plan. Since full funding had not been approved, adjustments to the design were made.

Nature of Change. The increase will be used to complete Phase 1B of the Denver Wildlife Research Center in Ft. Collins, Colorado. This phase includes the design and construction of the outdoor animal holding pens.

- (e) An increase of \$500,000 to replace the Animal Predator Facility in Millville, Utah, and restore the existing building for use as a warehouse.

Need for Change. ADC operates a predator research facility at Millville, Utah, where studies of population parameters and behavioral characteristics of coyotes are conducted. In October 1992, the project offices on the Utah State University campus and the ADC Millville

Research site were forcibly entered, vandalized and incendiary devices set. The ensuing fire at the Millville facility caused severe damage to the offices and laboratories. In addition, a number of the animal enclosures were vandalized. Local building officials and APHIS engineers determined the building to be unsafe due to substantial structural damage.

Since the fire, APHIS has initiated design for a new facility which will include compliance with local fire and safety codes as well as the Animal Welfare Act. Design of the new facility will be completed in late FY 1993. ADC operations have been severely compromised during the time this facility has been out of operation. ADC has established temporary facilities with limited capabilities.

Nature of Change. The increase will fund construction of a new facility to replace the Animal Predator Facility in Millville, Utah, which was destroyed by fire, and restore the existing facility for use as a warehouse.

- (f) An increase of \$672,000 to expand rearing facilities for Plant Methods Development at Mission, Texas.

Need for a Change. APHIS' Plant Methods laboratories are responsible for, among other things, investigating and developing methods for use of new non-chemical controls of plant pests. There are many promising new parasites and predators that APHIS would like to further investigate, but space for rearing several different species does not currently exist. These parasites and predators could be used to quickly suppress infestations of Mexican Fruit Fly, thus reducing reliance on chemical controls and the more expensive sterile insect technique.

There are also several emerging control methods which are very promising but require microbial evaluation. Again, current space is too limited to allow for such evaluations to be conducted. These new methods are similar to the use of the naturally occurring *Bacillus thuringiensis* (Bt) to control Gypsy Moth infestations. These methods could be applied to the control of boll weevils and other cotton pests in addition to fruit flies.

Nature of Change. The increase will be used to expand facilities to accommodate the rearing of parasites and predators for the Mexican Fruit Fly and other related species. Additionally, space will be made available to allow for microbial evaluations of promising organisms that can combat pests such as fruit flies, boll weevil, and other cotton pests.

ANIMAL AND PLANT HEALTH INSPECTION SERVICE

BUILDINGS AND FACILITIES

STATUS OF MAJOR CONSTRUCTION PROJECTS

Current Activities: The Buildings and Facilities appropriation funds major non-recurring construction projects in support of program activities and recurring construction, alterations, and repairs of existing facilities. The on-going major construction programs as of October 1992 are:

1. Plant Germplasm Quarantine Laboratory, Beltsville, Maryland - (\$3,800,000 available from the FY 1990 appropriation).

The design of the new laboratory is complete. APHIS has awarded the construction contract. Construction is scheduled to begin in the third quarter of 1993 with completion in about 12 months. Through September 30, 1992, \$2,294,866 had been obligated.

2. Animal Research Laboratory, Phase Ia, Fort Collins, Colorado - (\$6,000,000 available from the FY 1990 appropriation).

The design of the laboratory is complete. The construction contract has been awarded. Construction will take about 16 months. Through September 30, 1992, \$422,318 had been obligated.

3. Outdoor Animal Holding Area, Phase Ib, Fort Collins, Colorado - (\$2,500,000 available from the FY 1992 appropriation).

The Statement of Work for design has been completed. APHIS is currently negotiating a fee for design with the contract Architectural/Engineering firm. Design is anticipated to begin in the second quarter of FY 1993. Through September 30, 1992, no funds have been obligated.

4. National Plant Germplasm Quarantine Center: Phase I, Beltsville, Maryland - (\$12,000,000 available from the FY 1991 appropriation).

The Statement of Work for design is currently being developed by APHIS. Design will be completed in FY 1993. Construction is expected to begin in the second quarter of FY 1994 with completion in about 12 months. Through September 30, 1992, no funds had been obligated.

5. National Germplasm Quarantine Center: Phase II, Beltsville, Maryland - (\$12,000,000 available from the FY 1992 appropriation).

The Statement of Work for design is currently being developed by APHIS. Design is anticipated to be completed by the first quarter of FY 1994. Construction is estimated to begin by the third quarter of FY 1994. Through September 30, 1992, no funds had been obligated.

6. Plum Island Animal Disease Center Consolidation, New York - (\$5,000,000 available from the FY 1991 appropriation and \$1,737,450 available from the FY 1992 appropriation).

This is a joint ARS/APHIS construction project. ARS has awarded the contract for construction. Construction is scheduled to begin during the first half of FY 1993. Through September 30, 1992, \$6,737,450 had been obligated.

PASSENGER MOTOR VEHICLES

The 1994 Budget Estimates propose the purchase of 170 replacement passenger motor vehicles.

The passenger motor vehicles of the Service are used by veterinarians, animal health technicians, plant protection and quarantine officers, inspectors, wildlife biologists, and other technical personnel in the performance of their duties. APHIS personnel use passenger motor vehicles during their daily activities to travel between individual ranches, farms, orchards, nurseries, ports, and other commercial firms. Use of common carriers is not feasible because of the need to travel in mostly rural areas. Comparative cost studies have shown that it is more economical to use Government-owned vehicles rather than reimburse employees for the use of privately-owned cars.

The Service's policy is to pool vehicles for use as much as possible. This results in a minimum of passenger motor vehicles and reduces overall operating costs. Operators are required to maintain and submit operational data. These periodic surveys are made to determine the continued need for vehicles and their condition.

Replacement of passenger motor vehicles. APHIS proposes replacing 170 of the 679 passenger motor vehicles in the Agency fleet. Of the 679 vehicles, 574 vehicles are estimated to be in operation at the beginning of FY 1994, 96 vehicles have been sold and not yet replaced, and 9 vehicles have been ordered and not yet delivered. These 574 vehicles are located in field locations and are used for pest and disease exclusion, plant and animal health monitoring, pest and disease management, animal care, and scientific and technical services programs. The control, eradication, testing, and inspection activities are essential in protecting the Nation's agriculture. All vehicles proposed for replacement have 60,000 or more miles or are more than 6 years of age.

Age and mileage data for passenger motor vehicles on hand as of September 30, 1992, are as follows:

Age Data			Mileage Data		
Age-Year Model	Number of Vehicles	Percent of Total	Lifetime Mileage (thousands)	Number of Vehicles	Percent of Total
1987 & older	111	19%	80 or more	92	16%
1988	101	18%	60 - 80	77	13%
1989	37	6%	40 - 60	100	18%
1990	151	26%	20 - 40	148	26%
1991	111	19%	20 or less	157	27%
1992	63	12%			
TOTAL	574	100%	TOTAL	574	100%

AIRCRAFT

There are presently 20 aircraft in the Agency fleet, 9 for domestic plant pest and disease programs, 9 for animal damage control programs and 2 for international plant and animal pest exclusion programs. During FY 1992, APHIS acquired two surplus aircraft and excessed two aircraft. APHIS aircraft make aerial surveys and aerial application tests, are used for insect trapping operations, and are used to demonstrate special equipment for suppression of destructive insects attacking crops.

Replacement aircraft, if purchased, would be used primarily in pest and disease management programs. These aircraft are sometimes used to supervise and observe contract planes which are newer, faster models than those the Agency has available. While this replacement authority is requested each year in the appropriation act, the aircraft are replaced only when necessary to maintain the fleet in safe and efficient operating condition.

AGRICULTURAL MARKETING SERVICE

Purpose Statement

The Agricultural Marketing Service (AMS) was established by the Secretary of Agriculture on April 2, 1972. AMS carries out programs authorized by approximately 50 different statutory authorities, the primary ones being the Agricultural Marketing Act of 1946 (7 U.S.C. 1621-1627); the Agricultural Marketing Agreement Act of 1937 (7 U.S.C. 601-602, 608a-608e, 610, 612, 614, 624, 671-674); the U.S. Cotton Standards Act (7 U.S.C. 51-65); the Cotton Statistics and Estimates Act (7 U.S.C. 471-476); the Tobacco Inspection Act (7 U.S.C. 511-511q); the Perishable Agricultural Commodities Act (7 U.S.C. 499a-499s); the Egg Products Inspection Act (21 U.S.C. 1031-1056); Section 32 (15 U.S.C. 713c); Transportation Provisions of the Agricultural Adjustment Act of 1938 (7 USC 1281 et seq.); Agricultural Trade and Assistance Act of 1954 (7 USC 1427, 1431, 1691, et seq.); Rural Development Act of 1972 (7 USC 2662, 2663); International Carriage of Perishable Foodstuff Act of 1982 (7 USC 4401-4406); Capper-Volstead Act (7 USC 291, 292); Pesticide Recordkeeping (7 USC 135i-1); Plant Variety Protection Act (7 USC 2321 note.); numerous research and promotion acts.

The primary objective of AMS is to carry out a wide range of programs that facilitate the marketing and distribution of agricultural products; ensure fair trading practices; and assure consumers of an abundant, high quality food supply. AMS promotes a strategic marketing perspective that adapts product and marketing decisions to consumer demands, as well as changing domestic and international marketing practices and technologies. This is achieved through the collection and dissemination of market news information, the establishment of grading standards, the promotion of an efficient agricultural transportation system, inspection and grading services, and various marketing development programs. Approximately seventy percent of the funds needed to finance these activities are derived from user fees.

The Agricultural Marketing Service administers the following programs:

1. Market news service: The market news program entails the collection, analysis and dissemination of supply, inventories, prices and other market information for numerous agricultural commodities, including cotton and cottonseed; dairy products; fruits and vegetables; livestock, meat and grains; poultry products; and tobacco.

Market news provides timely, accurate, and unbiased information to assist producers, growers, and marketers of farm products in making critical decisions of where and when to sell, and at what price. The collection of market information is a joint effort by Federal and State reporters.

2. Inspection, grading and standardization services: AMS develops and maintains standards of quality and condition for use in the trading of agricultural commodities. These standards provide a common language for buyers and sellers of commodities both here and abroad. AMS provides grading and certification services upon request for numerous agricultural commodities, including cotton, dairy products, fruits and vegetables, livestock and meat, poultry and eggs, and tobacco. AMS also provides: continuous in-plant inspection to manufacturers of liquid, frozen, or dried egg products to ensure that egg products are wholesome, unadulterated, and fit for human consumption; inspects egg handlers and hatcheries quarterly to ensure the proper disposition of restricted eggs; and controls the importation of egg products to ensure that U.S. requirements are met.

The inspection and grading activities are performed by Federal and Federally-supervised State employees. The egg products inspection program is mandatory and is funded from appropriations, grading activities are provided on a fee-for-service basis.

The science program conducts laboratory tests on agricultural commodities to aid the commodity divisions in assigning grades to submitted samples. The program also assures that commercial and private laboratories are performing tests in a consistent, uniform, and accurate manner.

3. Market protection and promotion services: AMS administers programs under several laws which authorize the collection of pesticide residue information, ensure proper marketing practices, stimulate innovative and improved commodity marketing, and provide assistance to industry-sponsored activities. The Pesticide Data program provides statistically-based data on pesticide use and residue levels for selected commodities to public agencies for policy making, regulatory and educational purposes. The Pesticide Recordkeeping program establishes Federal regulations requiring non-commercial applicators to keep records of pesticides used in agricultural production. The Federal Seed Act requires truthful labeling of seeds shipped in interstate commerce to prevent misrepresentation. The Plant Variety Protection Act encourages the development of novel varieties of sexually reproduced plants by providing patent-like protection to developers. Oversight and direction is provided to several industry-funded research and promotion programs. During the past year, approximately \$417 million was collected through producer assessments and used by industry to broaden and enhance local and national markets for various commodities. Currently there are active research and promotion programs for beef, cotton, dairy products, eggs and egg products, honey, pork, potatoes, watermelon, limes, soybeans, and pecans.
4. Transportation services: This program provides technical and administrative direction, coordination, and leadership in the development and execution of agricultural transportation policies and activities. The program's mission is to represent the interests of agriculture and rural communities in the U.S. to assure the availability of an adequate and economical transportation system, domestically and internationally.
5. Wholesale market development: Under this program, AMS provides technical advice and assistance to States and municipalities interested in creating new or upgrading current wholesale market facilities. AMS also conducts cooperative feasibility studies with other government agencies and the private sector to evaluate and suggest improvements in the efficiency with which agricultural commodities are handled and marketed.
6. Federal-State marketing improvement program: This program provides matching funds to State Departments of Agriculture for projects intended to improve the marketing of farm commodities. These funds enable the States to conduct marketing projects to improve local marketing systems. The aim of the program is to reduce the marketing costs for producers and, ultimately, the retail cost of food to consumers. Projects include work in innovative marketing techniques, testing study findings in the marketplace, and developing State expertise in providing service to marketers of agricultural commodities.
7. Perishable Agricultural Commodities Act: This program promotes fair trading in the fruit and vegetable industry and protects producers, shippers, distributors and retailers of fresh and frozen fruits and vegetables from financial loss due to buyer bankruptcy or unfair and fraudulent practices in the marketing of perishable agricultural commodities. This program also prohibits the unwarranted destruction or dumping of farm products handled for others.
8. Strengthening agricultural markets and producer income (Section 32): This program provides price assistance to producers through the purchase of surplus and, as necessary, other agricultural commodities from regular market outlets. Contracting offices use both Section 32 program funds and appropriated funds of the Food and Nutrition Service to make these purchases. All commodities purchased are transferred to the Food and Nutrition Service for distribution to schools, to the elderly and to other domestic food assistance programs.

AMS develops and maintains standard food specifications used government-wide to provide a more efficient Federal food procurement service.

AMS supervises the administration of the marketing agreements and orders program and conducts public hearings and referenda to determine producer sentiment toward new order programs and revisions of current programs. Marketing orders maintain orderly market conditions by establishing minimum prices which handlers pay to producers for milk and dairy products and by regulating the quality, quantity, or size of fruits and vegetables which handlers may market in commercial channels.

9. Work performed for others: AMS provides services for Federal, State, and private industry on a reimbursable basis, primarily in connection with the commodity grading and inspection programs.

AMS headquarters are located in Washington, D.C., with approximately 201 year-round and seasonal field offices. The peak employment period for AMS occurs during the four month period, September through December, due to the seasonal nature of the cotton, tobacco, and fruit and vegetable grading programs. Employment during the peak period averaged 6,430 during FY 1992. As of September 30, 1992, there were 3,601 full-time employees and 1,970 other than permanent full-time employees. Of this number, employees assigned to field office locations totaled 2,843 full-time and 1,945 other than permanent full-time employees.

AGRICULTURAL MARKETING SERVICE

Available Funds and Staff-Years

1992 Actual and Estimated, 1993 and 1994

Item	1992		1993		1994	
	Actual		Estimated		Estimated	
	Amount	Staff-Years	Amount	Staff-Years	Amount	Staff-Years
Agricultural Marketing Service:						
Marketing Services	\$56,636,000	704	\$56,009,000	723	\$50,865,000	611
New User Fees	--	--	--	--	6,152,000	112
Payments to States and Possessions	1,250,000	--	1,250,000	--	1,250,000	--
Total	57,886,000	704	57,259,000	723	58,267,000	723
Obligations under other USDA appropriations:						
Agricultural Research Service for statistical services	10,000	--	10,000	--	10,000	--
Federal Grain Inspection Service for statistical services	237,699	4	230,000	4	230,000	4
Food & Nutrition Service for commodity procurement services	794,000	13	709,000	13	709,000	13
Foreign Agri. Service for emerging democracies	714,475	2	861,000	4	861,000	4
Packers & Stockyards Administration for statistical services ..	25,000	1	25,000	1	25,000	1
National Agricultural Statistical Service for Statistical Services	10,000	--	10,000	--	10,000	--
Miscellaneous	15,000	--	15,000	--	15,000	--
Reimbursements						
Total, Other USDA Appropriations	1,806,174	20	1,860,000	22	1,860,000	22
Total, Agriculture Appropriations	59,692,174	724	59,119,000	745	60,127,000	745
Permanent Appropriations:						
Funds for Strengthening Markets, Income, and Supply (Section 32) ..	5,161,359,891	155	4,978,817,276	166	5,282,000,216	166
Recovery of prior year obligations	14,634,355					
Carryin	262,429,546	--	120,787,568	--	256,370,784	--
Deduct transfers out	-4,739,204,926	--	-4,351,863,060	--	-4,771,585,000	--
Deduct carryout	-120,787,568	--	-256,370,784	--	-300,000,000	--
Net AMS	578,431,298	155	491,371,000	166	466,786,000	166
Perishable Agricultural Commodities Act Fund ..	6,730,807	132	7,621,000	135	7,771,000	135
Total, Permanent Appropriations	585,162,105	287	498,992,000	301	474,557,000	301
Federal Funds:						
Laboratory Accreditation	600,000	--	--	--	--	--
Dairy Grading Recapitalization	1,250,000	--	--	--	--	--
Total, Federal Funds	1,850,000	--	--	--	--	--
Non-Federal Funds:						
American Egg Board for oversight work	65,819	1	70,000	1	70,000	1
Beef Board for oversight work	163,000	2	170,000	2	170,000	2
Cotton Board for oversight work	128,139	2	150,000	2	150,000	2
Dairy Board for oversight work	398,445	5	400,000	5	400,000	5
Honey Board for oversight work	93,318	1	108,000	2	108,000	2
Lime Board for oversight work	103,000	1	109,000	1	109,000	1
Mushroom Board for oversight work	104,000	1	109,000	1	109,000	1
Pecan Board for oversight work	104,000	1	109,000	1	109,000	1

AGRICULTURAL MARKETING SERVICE

Available Funds and Staff-Years1992 Actual and Estimated, 1993 and 1994

Item	1992		1993		1994	
	Actual		Estimated		Estimated	
	Amount	Staff-Years	Amount	Staff-Years	Amount	Staff-Years
Pork Board for oversight work	147,000	2	170,000	3	170,000	3
Potato Board for oversight work	98,000	1	111,000	2	111,000	2
Soybean Board for oversight work	152,122	2	170,000	3	170,000	3
Watermelon Board for oversight work	81,000	1	84,000	1	84,000	1
Egg products inspection:	883,354		850,000		850,000	--
Fees for grading of cotton and tobacco ...	47,091,184	1,052	55,953,000	797	55,953,000	847
Grading of farm products for producers, processors, and municipal, State and Federal Agencies	93,272,288	1,835	98,246,000	1,880	95,398,000	1,857
Milk Market Administrators for Federal Telecommunications System employee compensation & New York Market Administrator	149,000	--	105,000	--	105,000	--
States for collection & dissemination of market news information	122,832	4	127,000	4	127,000	4
Total, Non-Federal Funds	143,156,501	2,911	157,041,000	2,705	154,193,000	2,732
Milk Market Orders Assessment Funds	36,302,431	562	38,843,000	522	38,843,000	522
Total, Agricultural Marketing Service	826,163,211	4,484	753,995,000	4,273	727,720,000	4,300

AGRICULTURAL MARKETING SERVICE

Permanent Positions by Grade and Staff-Year Summary
1992 and Estimated 1993 and 1994

GRADE	1992			1993			1994		
	HEAD-			HEAD-			HEAD-		
	QTRS.	FIELD	TOTAL	QTRS.	FIELD	TOTAL	QTRS.	FIELD	TOTAL
ES-6	1	--	1	1	--	1	1	--	1
ES-5	2	--	2	2	--	2	2	--	2
ES-4	8	--	8	8	--	8	8	--	8
ES-2	1	--	1	1	--	1	1	--	1
ES-1	1	--	1	1	--	1	1	--	1
GS/GM-15	30	1	31	30	1	31	30	1	31
GS/GM-14	81	20	101	81	20	101	81	20	101
GS/GM-13	129	53	182	133	54	187	132	52	184
GS-12	156	186	342	157	190	347	156	188	344
GS-11	65	230	295	66	236	302	65	233	298
GS-10	1	16	17	1	16	17	1	16	17
GS-9	50	776	826	50	776	826	50	771	821
GS-8	9	251	260	9	259	268	9	258	267
GS-7	54	345	399	55	346	401	55	344	399
GS-6	58	46	104	59	49	108	59	47	106
GS-5	62	206	268	62	206	268	62	205	267
GS-4	55	159	214	56	161	217	56	159	215
GS-3	15	40	55	15	40	55	15	40	55
GS-2	2	4	6	2	4	6	2	4	6
Milk Market									
Orders Adminis-									
trators & Staff.	--	571	571	--	568	568	--	568	568
Ungraded									
Positions	3	21	24	3	21	24	3	21	24
Total Permanent									
Positions	783	2,925	3,708	792	2,947	3,739	789	2,927	3,716
Unfilled									
Positions									
end-of-year	-22	-64	-86	--	--	--	--	--	--
Total, Permanent									
Employment, end-									
of year	761	2,861	3,622	792	2,947	3,739	789	2,927	3,716
Staff-Years:									
Ceiling	720	3,764	4,484	760	3,513	4,273	757	3,543	4,300

AGRICULTURAL MARKETING SERVICE

CLASSIFICATION BY OBJECTS1992 and Estimated 1993 and 1994

	<u>1992</u>	<u>1993</u>	<u>1994</u>
Personnel Compensation:			
Headquarters	\$8,584,944	\$9,854,000	\$10,104,000
Field	<u>16,084,435</u>	<u>17,069,000</u>	<u>17,462,000</u>
11 Total personnel compensation	24,669,379	26,923,000	27,566,000
12 Personnel benefits	5,508,748	5,651,000	5,786,000
13 Benefits for former personnel	<u>62,687</u>	<u>62,000</u>	<u>64,000</u>
Total personnel compensation and benefits	<u>30,240,814</u>	<u>32,636,000</u>	<u>33,416,000</u>
Other Objects:			
21 Travel	1,900,784	2,165,000	2,167,000
22 Transportation of things	146,121	140,000	140,000
23.2 Rental payments to others	460,114	571,000	572,000
23.3 Communications, utilities and misc. charges	2,571,940	2,606,000	2,563,000
24 Printing and reproduction	335,558	364,000	365,000
25.1 Consultants	50,000	140,000	141,000
25.2 Other services	15,875,590	15,799,000	16,030,000
26 Supplies and materials ..	1,004,525	552,000	554,000
31 Equipment	2,884,312	1,036,000	1,069,000
32 Land and structures	21,387	--	--
41 Grants, subsidies and contributions	1,250,000	1,250,000	1,250,000
42 Insurance claims and indemnities	899	--	--
43 Interest and dividends ..	<u>3,624</u>	<u>--</u>	<u>--</u>
Total other objects	<u>26,504,854</u>	<u>24,623,000</u>	<u>24,851,000</u>
Total obligations	<u>56,745,668</u>	<u>57,259,000</u>	<u>58,267,000</u>
Position Data:			
Average Salary, ES positions	103,469	106,769	106,769
Average Salary, GM/GS positions	30,361	31,503	31,494
Average Grade, GM/GS positions	8.73	8.74	8.73

AGRICULTURAL MARKETING SERVICE

The estimates include appropriation language for this item as follows (new language underscored; deleted matter enclosed in brackets):

Marketing Services:

For necessary expenses to carry on services related to consumer protection, agricultural marketing and distribution, transportation, and regulatory programs as authorized by law, and for administration and coordination of payments to States; including field employment pursuant to section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed \$90,000 for employment under 5 U.S.C. 3109, [~~\$56,221,000;~~] \$50,865,000; of which not less than [~~\$2,313,000~~] \$2,348,000 shall be available for the Wholesale Market Development Program for the design and development of wholesale and farmer market facilities for the major metropolitan areas of the country; in addition such sums as may be collected from fees for the cost of standardization activities, as established by regulation, and such sums as may be collected from fees for the cost of all inspection services performed at times other than during an approved primary shift, as established by regulation shall be credited to this account, to be available for carrying out the purposes of the standardization and inspection programs without further appropriation: Provided, That this appropriation shall be available pursuant to law (7 U.S.C. 2250) for the alteration and repair of buildings and improvements, but, unless otherwise provided, the cost of altering any one building during the fiscal year shall not exceed 10 per centum of the current replacement value of the building.

The first change in language is for shifting the funding source of standards from appropriation to user fees.

The second change in language is for shifting the funding source of egg products inspection appropriation to user fees for services provided beyond the primary shift.

MARKETING SERVICES

Appropriations Act, 1993	\$56,221,000
Budget Estimate, 1994:	
Appropriation	\$50,865,000
New User Fees	6,152,000
Total, Budget Estimate, 1994	<u>57,017,000</u>
Increase in Estimate	<u>+796,000</u>
Adjustments in 1993:	
Appropriations Act, 1993	56,221,000
Activities transferred per	
Secretary's transfer authority a/	<u>-212,000</u>
Adjusted base for 1993	56,009,000
Budget Estimate, 1994	<u>57,017,000</u>
Increase over adjusted 1993	<u>+1,008,000</u>

a/ Reflects the FY 1993 transfer of \$212,000 pursuant to the authority provided by the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 1993. This authority provided that the Secretary of Agriculture could transfer salaries and expenses funds to meet workload requirements.

SUMMARY OF INCREASES AND DECREASES
(On basis of appropriation and user fees)

<u>Item of Change</u>	<u>1993</u> <u>Estimated</u>	<u>Pay Cost</u>	<u>Other</u> <u>Changes</u>	<u>1994</u> <u>Estimated</u>
Market News Service	\$19,077,000	+\$407,000	-\$17,000	\$19,467,000
Inspection and Standardization:				
Appropriations	17,102,000	+358,000	-6,148,000	11,312,000
New User Fees	--	--	+6,152,000	6,152,000
Market Protection and Promotion	14,947,000	+127,000	+28,000	15,102,000
Wholesale Market Development ..	2,313,000	+33,000	+2,000	2,348,000
Transportation Services	<u>2,570,000</u>	<u>+65,000</u>	<u>+1,000</u>	<u>2,636,000</u>
Total Available	<u>56,009,000</u>	<u>+990,000</u>	<u>+18,000</u>	<u>57,017,000</u>

PROJECT STATEMENT
(On basis of appropriation and user fees)

	<u>1992 Actual</u>	<u>1993 Estimated</u>	<u>Increase</u>	<u>1994 Estimated</u>
	<u>Staff-</u>	<u>Staff-</u>	<u>or</u>	<u>Staff-</u>
	<u>Amount</u>	<u>Amount</u>	<u>Decrease</u>	<u>Amount</u>
	<u>Years</u>	<u>Years</u>		<u>Years</u>
1. <u>Market News</u>	:	:	:	:
<u>Service:</u>	:	:	:	:
(a) Cotton and	:	:	:	:
cottonseed..	\$1,915,976:	29: \$2,006,000:	29: +\$37,000:	\$2,043,000: 29
(b) Dairy	:	:	:	:
products ..	622,770:	13: 548,000:	11: +15,000:	563,000: 11
(c) Fruits and	:	:	:	:
vegetables..	5,773,310:	107: 5,482,000:	103: +112,000:	5,594,000: 103
(d) Livestock,	:	:	:	:
meats&grain:	7,403,874:	119: 7,561,000:	123: +151,000:	7,712,000: 123
(e) Poultry	:	:	:	:
products ..	2,535,403:	39: 2,536,000:	41: +58,000:	2,594,000: 41
(f) Tobacco	868,489:	19: 944,000:	20: +17,000:	961,000: 20
Total,	:	:	:	:
Market News	:	:	(1):	:
Service	19,119,822:	326: 19,077,000:	327: +390,000:	19,467,000: 327

PROJECT STATEMENT
(On basis of appropriation and user fees)

	<u>1992 Actual</u>		<u>1993 Estimated</u>		<u>Increase</u>	<u>1994 Estimated</u>	
	: Staff- :		: Staff- :		or	: Staff- :	
	Amount	Years	Amount	Years	Decrease	Amount	Years
2. <u>Inspect. and</u>	:	:	:	:	:	:	:
<u>Standardiza.</u>	:	:	:	:	:	:	:
(a) Egg products:	:	:	:	:	:	:	:
inspection:	:	:	:	:	:	:	:
Approp.	12,563,001:	199:	12,725,000:	202:	-1,413,000:	11,312,000:	162
New User	:	:	:	:	:	:	:
Fee	--	--	--	--	+1,700,000:	1,700,000:	40
(b) Standardiza-	:	:	:	:	:	:	:
tion:	:	:	:	:	:	:	:
Approp.	4,391,726:	75:	4,377,000:	72:	-4,377,000:	--	--
New User	:	:	:	:	:	:	:
Fee	--	--	--	--	+4,452,000:	4,452,000:	72
Total, Inspec.	:	:	:	:	(2):	:	:
& Standardiza..	16,954,727:	274:	17,102,000:	274:	+362,000:	17,464,000:	274
3. <u>Market Pro-</u>	:	:	:	:	:	:	:
<u>tection and</u>	:	:	:	:	:	:	:
<u>Promotion:</u>	:	:	:	:	:	:	:
(a) Federal	:	:	:	:	:	:	:
Seed Act ..	1,125,976:	18:	1,160,000:	19:	+35,000:	1,195,000:	19
(b) Market deve-	:	:	:	:	:	:	:
lopment and:	:	:	:	:	:	:	:
assistance:	13,394,460:	30:	13,787,000:	46:	+120,000:	13,907,000:	46
Total, Market	:	:	:	:	:	:	:
Protection and	:	:	:	:	(3):	:	:
Promotion	14,520,436:	48:	14,947,000:	65:	+155,000:	15,102,000:	65
4. <u>Wholesale</u>	:	:	:	:	:	:	:
<u>Market</u>	:	:	:	:	(4):	:	:
<u>Development.</u>	2,287,277:	25:	2,313,000:	26:	+35,000:	2,348,000:	26
5. <u>Transporta-</u>	:	:	:	:	(5):	:	:
<u>tion Svcs.</u>	2,613,406:	31:	2,570,000:	31:	+66,000:	2,636,000:	31
Unobligated bal.	1,140,332:	--	--	--	--	--	--
Total, available:	:	:	:	:	:	:	:
or estimate	56,636,000:	704:	56,009,000:	723:	+1,008,000:	57,017,000:	723
New User Fee ...	--	--	--	--	-6,152,000:	-6,152,000:	-112
Transfer to	:	:	:	:	:	:	:
Other USDA	:	:	:	:	:	:	:
Agencies	:	--	+212,000:	--	-212,000:	--	--
Total,	:	:	:	:	:	:	:
appropriation ..	56,636,000:	704:	56,221,000:	723:	-5,356,000:	50,865,000:	611

EXPLANATION OF PROGRAM

1. Market News Service:

The market news program is carried out under the following authorities:

Agricultural Marketing Act of 1946
Cotton Statistics and Estimates Act of 1927
Naval Stores Act
Tobacco Statistics Act
Tobacco Inspection Act of 1935
U.S. Cotton Futures Act
Peanut Statistics Act
Food Security Act of 1985

Market news information is gathered on various agricultural products including dairy products, fruits and vegetables, livestock and meat, grain, poultry, eggs, cotton and tobacco. Market news provides those engaged in the production and marketing of farm products, as well as related industries with timely, accurate, and unbiased market information. This market information covers local, regional, national, and international markets and includes current data on supply, movement, contractual agreements, inventories, and prices at specific markets for practically all agricultural commodities. On a day-to-day basis those utilizing market news information are in a position to make the critical decisions of where and when to sell, and at what price.

Market information is obtained by both Federal and State reporters at trading points or by telephone. Information collected by these reporters is analyzed and disseminated immediately to the agricultural community by automatic telephone answering devices, facsimile machines, printed reports, radio and television, newspaper columns, and data networks. National information is integrated with local information and released in a form easily understood by the industry and locality served. Subscription fees are now charged for all printed and mailed reports except tobacco. Legislation authorizing the investment of these funds is contained in the 1990 Food, Agriculture, Conservation, and Trade Act.

Market News Workload Data, FY 1992:

<u>Commodity Group</u>	<u>Field Offices</u>		<u>Buyers and Sellers Inter-viewed</u>	<u>Printed Reports Issued (Thous.)</u>	<u>Number on Mailing List</u>	<u>No. of Federal Reporters</u>	<u>No. of Markets Covered</u>
	<u>Year Round</u>	<u>Sea-sonal</u>					
Cotton and Cottonseed	4	--	3,067	* 119	2,454	8	11
Dairy and Dairy Products	1	--	450	114	2,688	4	46
Fruits and Vegetables	35	12	10,259	1,161	17,209	53	807
Livestock, Grain, and Meat	47	--	15,200	321	4,991	72	672
Poultry and Eggs	13	--	1,700	58	589	25	81
Tobacco	2	2	500	15	1,024	5	135

* Change in method of reporting

2. Inspection, Grading and Standardization:

This program is carried out under the following authorities:

- Agricultural Marketing Act of 1946
- Agricultural Fair Practices Act
- Cotton Statistics and Estimates Act of 1927
- U.S. Cotton Futures Act
- United States Cotton Standards Act
- Naval Stores Act
- Tobacco Inspection Act of 1935
- Tobacco Statistics Act
- Wool Standards Act
- Egg Products Inspection Act
- Dairy and Tobacco Adjustment Act of 1983
- Food Security Act of 1985

This program covers three distinct areas that facilitate the domestic and international marketing of agricultural commodities: development and maintenance of commodity quality standards, egg products inspection, and commodity grading.

- a. Standards. AMS develops, reviews, and maintains agricultural commodity standards that describe product quality attributes such as taste, color, texture, yield, weight, and physical condition. Standards are developed for use in grading cotton, tobacco, naval stores, wool, mohair, livestock and meat, poultry, eggs, fruits, vegetables, nuts, and dairy products.

Standardization Workload Data:

	<u>FY 1992 Actual</u>	<u>FY 1993 Estimate</u>	<u>FY 1994 Estimate</u>
International and U.S. standards in effect, end of year	593	590	592
Number of commodities covered	236	236	236
Standards revised	39	23	25

- b. Inspection. This activity involves continuous mandatory inspection of egg processing plants producing liquid, frozen, or dried egg products to ensure products sold are wholesome, unadulterated and truthfully labeled. In cooperation with State Departments of Agriculture, shell egg grading operations are inspected at least four times yearly to control the disposition of certain types of undergrade and restricted eggs.

Egg Products Inspection Workload Data:

	<u>FY 1992 Actual</u>	<u>FY 1993 Estimate</u>	<u>FY 1994 Estimate</u>
Egg products inspected (million pounds)	2,209	2,340	2,480
Egg products accepted (million pounds)	40	50	60
Egg products shifts	125	126	126
Egg handler surveillance visits	6,953	6,600	6,200
States and Commonwealths with cooperative agreements	52	52	52
Official samples submitted for analysis:			
Food chemistry and microbiology	28,663	26,700	26,700
Chemical residues	278	280	560

- c. Grading. The grading process involves the application of quality standards to agricultural commodities. Grading services are offered to users who pay published fees for services provided. These services facilitate marketing by permitting purchasers to buy commodities without having to inspect them personally and by providing an impartial evaluation of the quality of products prior to their sale. AMS certification services provide assurance to buyers that the products they receive are the quantity and quality specified in their contract with the seller.

Grading Workload Data:

	<u>FY 1992 Actual</u>	<u>FY 1993 Estimate</u>	<u>FY 1994 Estimate</u>
Cotton Classifications (thousand bales):			
Smith-Doxey Amendment	16,373	15,000	15,000
United States Cotton Standards Act:			
Public Classing Service	23	26	26
U.S. Cotton Futures Act	273	300	300
Total, Cotton Classifications	16,669	15,326	15,326

Poultry and Egg Grading:			
Poultry products graded (includes rabbits - million pounds)	16,060	16,255	16,826
Shell eggs graded (million dozen)	1,455	1,389	1,334
Pounds accepted (poultry - million pounds)	1,204	1,490	1,640
Dozens accepted (eggs-million dozen)	587	600	612
Meat Grading:			
Meat graded (million pounds)	17,900	18,080	18,260
Meat accepted (million pounds)	2,184	2,000	1,600
Livestock Grading:			
Livestock graded (million pounds)	76	40	40
Fresh Fruit, Vegetable & Nut Grading:			
Product inspected (million pounds)	81,700	83,000	84,900
Processed Fruit and Vegetable Grading:			
Product inspected (million pounds)	9,500	9,600	9,600
Dairy Grading:			
Butter graded (million pounds)	1,245	1,300	1,300
Cheese graded (million pounds)	102	150	150
Dry milk graded (million pounds)	261	300	350
Other products graded (million pounds)	122	150	150
Plant inspections	1,053	1,200	1,500
Tobacco Grading:			
Flue-cured (million pounds)	1,003	1,050	1,050
Fire-cured (million pounds)	17	20	20
Dark air-cured (million pounds)	5	5	5
Burley (million pounds)	708	725	725
Tobacco Reinspection (million pounds)	134	130	130
Imported Tobacco Inspection (million pounds)	375	375	375
TOTAL, Tobacco Inspection and Grading	2,242	2,305	2,305
Laboratory Testing: (Number of Tests in Thousands)			
Eastern Lab:			
Poultry (Voluntary)	14	15	15
Tobacco-pesticide	38	38	38
Midwestern Lab:			
Dairy	66	66	66
Miscellaneous	43	44	44
Aflatoxin Labs	127	127	127
Citrus Lab	13	13	13
Cottonseed Lab	37	37	37

3. Market Protection and Promotion:

In the administration of market protection and promotion activities the Agricultural Marketing Service operates under the following authorities:

Agricultural Marketing Act of 1946
 Capper Volstead Act
 Cotton Research and Promotion Act
 Egg Research and Consumer Information Act
 Export Apple and Pear Act
 Export Grape and Plum Act
 Federal Seed Act
 National Wool Act of 1954

Plant Variety Protection Act
 Potato Research and Promotion Act
 Dairy and Tobacco Adjustment Act of 1983
 Honey Research, Promotion and Consumer Information Act
 Beef Promotion and Research Act of 1985
 Pork Promotion, Research and Consumer Information Act of 1985
 Watermelon Research and Promotion Act
 Soybean Promotion, Research and Consumer Information Act of 1990
 Pecan Promotion and Research Act of 1990
 Mushroom Research, Promotion and Consumer Information Act of 1990
 Lime Research, Promotion and Consumer Information Act of 1990
 Fluid Milk Promotion Act of 1990

- a. Pesticide Recordkeeping Program. This program is authorized by the Food, Agriculture, Conservation, and Trade Act of 1990 to ensure records of federally restricted use pesticides are maintained by certified pesticide applicators. This program also requires records be surveyed to provide a database on restricted use pesticide usage.

In FY 1993 a Memorandum of Understanding among the Agricultural Marketing Service, National Agricultural Statistics Service, and the Environmental Protection Agency will be entered into designating the responsibilities and roles of each agency pertaining to surveying records and reporting on restricted use pesticide usage. AMS intends to work with the Extension Service to develop training and materials on the importance of maintaining these records. If major lapses occur, AMS has authority to monitor compliance with the program by entering into cooperative agreements with State pesticide regulatory agencies to utilize State staff to inspect certified applicator records. A Federal program can be established in States where the State chooses not to enter into a cooperative agreement with AMS.

Pesticide Recordkeeping Program Workload Data:

	FY 1992 <u>Actual</u>	FY 1993 <u>Estimate</u>	FY 1994 <u>Estimate</u>
Number of participating states and territories	6	40	54

- b. Pesticide Data Program. This program is a comprehensive, multi-agency program designed to collect and analyze pesticide use and residue concentration levels in food. The Pesticide Data program addresses the increased public interest in pesticide issues and provides a data base for government agencies to respond effectively to food safety issues.

In FY 1993, the Pesticide Data program will continue to increase analytical testing, improve the sampling system, finalize the program's Standard Operating Procedures, complete the data information system, and add additional commodities to the program.

Three new states, Colorado, North Carolina, and Ohio, began sample collection in January 1993. The number of samples per commodity/month will change from 52 to 60 with the addition of the new states, as well as adjusting the number of samples per commodity to be collected in the initial six states. The addition of these states provides the basis of a national program based on approximately 50 percent of the nation's population and regional diversity.

Two new commodities, broccoli and carrots were added in October 1992, bringing the total number in the program to 12, including 86 commodity pesticide pairs. Benomyl analyses were scheduled for all broccoli samples. In January 1993, selected carbamates (insecticide cholinesterase inhibitors) will be added for all commodities tested. Changes in the pesticide testing profile based on the revised EPA list will include the immediate addition of 11 pesticides already detected in PDP and the planning for other specialty methods, such as avermectin and formetanate.

Pesticide Data Program Workload Data:

	1992 <u>Actual</u>	1993 <u>Estimate</u>	1994 <u>Estimate</u>
Participating States	6	9	9
Commodity/Pesticide Pairs	71	350	450
Number of samples collected	5,232	8,650	12,000

- c. Federal Seed Act. This Act regulates agricultural and vegetable seed moving in interstate commerce. It prohibits false labeling and advertising of seed and the shipment of prohibited noxious-weed seed into a State. About 500 State seed inspectors are authorized to inspect seed subject to the Act. Seed samples are routinely drawn by State seed inspectors to monitor seed sold commercially. Should an inspection reveal infractions of the Act, a complaint may be referred to AMS by the cooperating State agency. Based on the results of the tests and investigations, AMS attempts to resolve each case administratively. If a case cannot be resolved administratively, AMS will initiate appropriate legal action. Intrastate infractions are subject to State laws.

Federal Seed Act Workload Data:

	FY 1992 <u>Actual</u>	FY 1993 <u>Estimate</u>	FY 1994 <u>Estimate</u>
<u>Seed Testing:</u>			
Seed samples tested in connection with:			
Interstate shipments	588	1,000	1,000
Check tests	461	700	700
Variety testing	<u>3,257</u>	<u>2,000</u>	<u>2,000</u>
Total number of samples tested	4,306	3,700	3,700

Interstate Enforcement:

<u>Cases for Investigation:</u>			
Total to be investigated	1,015	1,150	1,150
Investigations completed	411	650	650
Pending at end of year	604	500	500
<u>Administrative Actions:</u>			
No action warranted	49	50	50
Warnings issued	290	500	500
Citations issued	62	100	100
Prosecutions recommended	--	--	--
<u>Administrative Settlements:</u>			
Settlements terminated	66	100	100
Settlements pending	30	30	30

- d. Plant Variety Protection Act. This program offers legal protection to developers of novel varieties of sexually reproduced plants through the issuance of a certificate. These certificates assure developers exclusive rights to sell, reproduce, import, or export such varieties, or use them in the production of hybrids of different varieties for a period of 18 years. Fees are charged to those applying for certificates of protection and the funds are retained by the Department to fund the program.

Plant Variety Protection Workload Data:

	<u>1992 Actual</u>	<u>1993 Estimate</u>	<u>1994 Estimate</u>
Pending applications, beginning of year	659	582	547
New applications received	279	300	300
Certificates issued	323	325	350
Applications abandoned	33	20	20
Pending applications, end of year	582	547	487
Number of years to process pending applications	1.8	1.7	1.4

- e. The Research and Promotion Acts. The various Research and Promotion Acts provide for the collection of an assessment from producers to carry out research and promotion activities for beef, cotton, dairy products, eggs and egg products, honey, pork, potatoes, and watermelons. It is the responsibility of AMS to review and approve the budgets and the projects proposed by the research and promotion boards. Each research and promotion activity reimburses AMS for the cost of overseeing these programs.

Legislation authorizing the establishment of research and promotion activities for pecans, mushrooms, limes, soybeans, and fluid milk is contained in the 1990 Food, Agriculture, Conservation and Trade Act. These programs are in various stages of implementation. The Order issuing the implementation of the soybean research and promotion program was signed by the Secretary of Agriculture on July 9, 1991, and collection of assessments began on September 1, 1991. On August 28, 1992, a fluid milk promotion proposal was received by the Department. The pecan research and promotion program became fully operational in September 1992. The mushroom research and promotion program is expected to become fully operational in the spring of 1993 and the lime research and promotion program in the early summer of 1993.

(Dollars in Millions)

<u>Programs</u>	<u>FY 1992 Actual</u>		<u>FY 1993 Estimate</u>		<u>FY 1994 Estimate</u>	
	<u>Assessments Collected</u>	<u>Funds Expended</u>	<u>Assessments Collected</u>	<u>Funds Expended</u>	<u>Assessments Collected</u>	<u>Funds Expended</u>
Beef	\$42.9	\$62.3	\$43.0	\$46.0	\$43.0	\$46.0
Cotton	44.7	45.1	48.0	47.0	48.1	49.0
Dairy	75.6	79.0	76.0	78.4	76.1	78.5
Egg	7.7	9.0	7.5	9.0	7.5	7.6
Lime	--	--	1.3	1.0	1.4	1.1
Mushroom	--	--	0.5	0.5	2.0	1.5

Pecan	--	--	1.0	1.0	1.4	1.2
Honey	2.7	3.6	2.8	3.7	2.8	3.3
Pork	36.7	37.2	39.2	38.2	44.2	42.7
Potato	6.0	5.4	6.5	7.0	6.8	7.0
Soybean	20.1	11.6	20.0	20.0	21.0	21.0
Watermelon	<u>0.7</u>	<u>0.5</u>	<u>0.6</u>	<u>0.5</u>	<u>0.6</u>	<u>0.5</u>
Total	<u>\$237.1</u>	<u>\$253.7</u>	<u>\$246.4</u>	<u>\$252.3</u>	<u>\$254.9</u>	<u>\$259.4</u>

4. Wholesale Market Development:

Activities in this program are carried out under the authority of the Agricultural Marketing Act of 1946.

The Wholesale Market Development Program conducts research and provides technical assistance aimed at improving food marketing efficiency. It emphasizes the most effective types of facilities needed to market farm products, to distribute food within urban areas, and to assess new marketing methods. Projects are conducted in cooperation with growers, trade groups, individual food companies, and State and local governments.

Program activities for FY 1992 are primarily associated with projects initiated in prior years, including high priority projects mandated by Congress and technical assistance to help implement previous wholesale market studies. Major studies include: (1) a comprehensive evaluation of the need for new wholesale food facilities in Chicago, Illinois to maintain an efficient flow of food and related products to this important population center, (2) an assessment of the potential for developing a major food and related products marketing center in the Columbia area of South Carolina, (3) a feasibility study for a multi-faceted market center in Maine, and (4) a major project in the Toledo, Ohio area with Ohio State University, the Toledo Department of Natural Resources, and the Toledo Warehouse District Association to provide solutions to the current farmers' market problems due to changing land use, and consumer buying patterns.

Other market development activities in FY 1992 included: (1) Agricultural Wholesale Marketing Projects for the Czech and Slovak Republics and Poland. These studies will provide a technical focus for developing modern marketing facilities in the countries' major cities. Such a center could include a combined wholesale/farmers' market/specialized auction at a single location; (2) conduct market assessments to assist former Soviet Union agribusiness and government officials to gather data regarding market news, grades and standards, trading practices, and the government role in product marketing. Assessments will be needed in a number of locations to evaluate current marketing practices; and (3) AMS is planning additional Cochran Fellowship training programs in food marketing to assist various Eastern Europe and former Soviet Union states in the transition from a state and collective farm system to one that supports the development of private agriculture. The proposal would bring many Eastern European and former Soviet agricultural leaders to the United States to strengthen their understanding of the functioning of a private agricultural marketing system.

Wholesale Market Development Workload Data:

	<u>1992 Actual</u>	<u>1993 Estimate</u>	<u>1994 Estimate</u>
Wholesale market facilities studies completed	2	4	5
Research projects completed	3	3	4

5. Transportation Services:

The Agricultural Marketing Service carries out Transportation Services activities under the following authorities:

Agricultural Marketing Act of 1946
 Agricultural Adjustment Act of 1938
 Agricultural Trade and Assistance Act of 1954
 Rural Development Act of 1972
 International Carriage of Perishable Foodstuffs Act of 1982.

These activities are designed to assure that the transportation system will adequately serve the agricultural and rural areas of the United States and will provide the services necessary to assure the residents of these areas adequate facilities for the movement of agricultural commodities and people. The main areas of responsibility are providing technical assistance to shippers and carriers, technological research, development, demonstrations in agricultural transport equipment, and participation in transportation regulatory actions before various Federal agencies. This program administers the implementation of the International Carriage of Perishable Foodstuffs Act of 1982. In addition, Transportation Services provides economic analyses to enable the Department of Agriculture to develop policy recommendations for addressing current or anticipated problems in domestic and international agricultural transportation.

FY 1992 activity includes: (1) Intermodal Surface Transportation Efficiency Act (ISTEA) workshops, which are designed to inform citizens of the impact of ISTEA on their state and rural transportation activities, and the need to become involved in the planning process; (2) participation in North American Free Trade negotiations, helping with the transportation issues of the North American Free Trade Agreement (NAFTA); and (3) AMS released an agricultural transportation report, titled, "Soviet Agricultural Transportation: A Statistical Summary," in draft form, with a revised final report prepared for mass distribution.

JUSTIFICATION OF INCREASES AND DECREASES Marketing Services

- (1) A net increase of \$390,000 for market news services consisting of:
 - (a) an increase of \$185,000 which reflects a 2.7 percent increase in non-salary costs.
 - (b) an increase of \$407,000 which reflects the annualization of the fiscal year 1993 pay raise.

- (c) a decrease of \$170,000 for administrative efficiency.

Need for Change. To promote the efficient use of resources for administrative purposes, in keeping with the President's Executive Order, total USDA baseline outlays for these activities will be reduced by 3 percent in FY 1994, 6 percent in FY 1995, 9 percent in FY 1996 and 14 percent in FY 1997.

Nature of Change. In order to achieve this savings, AMS will carefully monitor travel expenses, supply purchases, printing and reproduction costs, and utility usage.

- (d) a decrease of \$32,000 for FTS 2000 funding.

This decrease reflects lower long distance telecommunications prices due to price redeterminations in the FTS 2000 contracts.

- (2) A net increase of \$362,000 for standardization and inspection services consisting of:

- (a) an increase of \$149,000 which reflects a 2.7 percent increase in non-salary costs.

- (b) an increase of \$358,000 which reflects the annualization of the fiscal year 1993 pay raise.

- (c) a decrease of \$137,000 for administrative efficiency.

Need for Change. To promote the efficient use of resources for administrative purposes, in keeping with the President's Executive Order, total USDA baseline outlays for these activities will be reduced by 3 percent in FY 1994, 6 percent in FY 1995, 9 percent in FY 1996 and 14 percent in FY 1997.

Nature of Change. In order to achieve this savings, AMS will carefully monitor travel expenses, supply purchases, printing and reproduction costs, and utility usage.

- (d) a decrease of \$8,000 for FTS 2000 funding.

This decrease reflects lower long distance telecommunications prices due to price redeterminations in the FTS 2000 contracts.

- (e) no net change for standardization (a decrease of \$4,452,000 in appropriations offset by an increase of \$4,452,000 user fees).

Need for Change. AMS develops, reviews, and maintains agricultural commodity standards that describe product quality attributes for use in the voluntary grading programs. Users of AMS grading services benefit from the development and maintenance of quality standards.

Nature of Change. This proposal would shift funding for the standardization program from appropriation to user fees. Costs incurred for commodity standards would be charged to users of the grading programs as a part of the grading fees.

- (f) no net change in appropriated funding for egg products inspection (a decrease of \$1,700,000 in appropriations offset by an increase of \$1,700,000 in user fees).

Need for Change. AMS proposes to institute user fees to recover the full cost of providing egg products inspection for second and third shifts in fiscal year 1994. It is inequitable to charge overtime fees to those plants without enough production to warrant an additional complete shift while larger plants with more than one regularly scheduled shift are not assessed fees.

Nature of Change. User fees will be charged to recover 100 percent of the cost of providing egg products inspection for regularly scheduled second or third shifts. Facilities which operate beyond regularly scheduled shifts already pay overtime costs for inspection. Establishments which regularly operate a second shift are now provided inspection without reimbursing the Agency.

- (3) A net increase of \$155,000 for market protection and promotion consisting of:

- (a) an increase of \$379,000 which reflects a 2.7 percent increase in non-salary costs.
- (b) an increase of \$127,000 which reflects the annualization of the fiscal year 1993 pay raise.
- (c) a decrease of \$348,000 for administrative efficiency.

Need for Change. To promote the efficient use of resources for administrative purposes, in keeping with the President's Executive Order, total USDA baseline outlays for these activities will be reduced by 3 percent in FY 1994, 6 percent in FY 1995, 9 percent in FY 1996 and 14 percent in FY 1997.

Nature of Change. In order to achieve this savings, AMS will carefully monitor travel expenses, supply purchases, printing and reproduction costs, and utility usage.

- (d) a decrease of \$3,000 for FTS 2000 funding.

This decrease reflects lower long distance telecommunications prices due to price redeterminations in the FTS 2000 contracts.

- (4) A net increase of \$35,000 for wholesale market development consisting of:

- (a) an increase of \$29,000 which reflects a 2.7 percent increase in non-salary costs.
- (b) an increase of \$33,000 which reflects the annualization of the fiscal year 1993 pay raise.
- (c) a decrease of \$27,000 for administrative efficiency.

Need for Change. To promote the efficient use of resources for administrative purposes, in keeping with the President's Executive Order, total USDA baseline outlays for these activities will be reduced by 3 percent in FY 1994, 6 percent in FY 1995, 9 percent in FY 1996 and 14 percent in FY 1997.

Nature of Change. In order to achieve this savings, AMS will carefully monitor travel expenses, supply purchases, printing and reproduction costs, and utility usage.

- (5) A net increase of \$66,000 for transportation services consisting of:

- (a) an increase of \$14,000 which reflects a 2.7 percent increase in non-salary costs.
- (b) an increase of \$65,000 which reflects the annualization of the fiscal year 1993 pay raise.
- (c) a decrease of \$13,000 for administrative efficiency.

Need for Change. To promote the efficient use of resources for administrative purposes, in keeping with the President's Executive Order, total USDA baseline outlays for these activities will be reduced by 3 percent in FY 1994, 6 percent in FY 1995, 9 percent in FY 1996 and 14 percent in FY 1997.

Nature of Change. In order to achieve this savings, AMS will carefully monitor travel expenses, supply purchases, printing and reproduction costs, and utility usage.

Agricultural Marketing Service
Marketing Services
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS AND STAFF-YEARS
1992 and Estimated 1993 and 1994

	1992		1993		1994	
	Amount	Staff-Years	Amount	Staff-Years	Amount	Staff-Years
Alabama	\$295,000	6	\$298,000	6	\$303,000	6
Alaska	7,400	--	7,000	--	7,000	--
Arizona	284,805	6	286,000	6	290,000	6
Arkansas	507,798	9	516,000	9	525,000	9
California	5,496,168	44	4,750,000	45	4,790,000	45
Colorado	428,319	7	329,000	7	333,000	7
District of Columbia	23,412,756	245	24,393,000	265	25,025,000	265
Florida	1,634,775	10	1,788,000	10	1,796,000	10
Georgia	898,816	19	905,000	20	920,000	20
Hawaii	14,410	--	15,000	--	15,000	--
Idaho	92,903	2	93,000	2	95,000	2
Illinois	605,199	14	807,000	14	817,000	14
Indiana	470,837	8	479,000	8	488,000	8
Iowa	3,256,199	63	3,296,000	63	3,353,000	63
Kansas	258,805	6	260,000	6	264,000	6
Kentucky	134,469	3	135,000	3	137,000	3
Louisiana	175,911	4	177,000	4	180,000	4
Maine	123,967	2	125,000	2	127,000	2
Maryland	112,820	2	113,000	2	115,000	2
Massachusetts	196,934	5	197,000	5	200,000	5
Michigan	1,131,005	5	1,232,000	5	1,236,000	5
Minnesota	1,247,625	22	1,266,000	22	1,288,000	22
Mississippi	833,641	7	891,000	7	897,000	7
Missouri	752,127	16	757,000	16	770,000	16
Montana	77,072	2	77,000	2	78,000	2
Nebraska	443,885	10	445,000	10	452,000	10
New Jersey	985,025	19	997,000	19	1,014,000	19
New York	2,079,046	17	2,507,000	17	2,519,000	17
North Carolina	1,527,228	23	1,371,000	23	1,393,000	23
Ohio	651,333	6	480,000	6	487,000	6
Oklahoma	216,672	5	218,000	5	221,000	5
Oregon	246,577	6	248,000	6	252,000	6
Pennsylvania	641,875	14	648,000	14	659,000	14
Puerto Rico	61,220	1	62,000	1	63,000	1
South Carolina	767,238	19	788,000	17	802,000	17
South Dakota	150,090	4	151,000	4	153,000	4
Tennessee	1,306,297	32	1,322,000	31	1,343,000	31
Texas	2,122,221	18	2,076,000	18	2,089,000	18
Utah	63,054	1	64,000	1	65,000	1
Virginia	22,167	--	22,000	--	22,000	--
Washington	1,396,350	13	1,053,000	13	1,064,000	13
West Virginia	93,091	2	93,000	2	94,000	2
Wisconsin	183,536	5	183,000	5	186,000	5
Wyoming	89,002	2	89,000	2	90,000	2
Subtotal, Available or Estimate	55,495,668	704	56,009,000	723	57,017,000	723
Unobligated balance	1,140,332	--	--	--	--	--
Total, Available or Estimate	\$56,636,000	704	\$56,009,000	723	\$57,017,000	723

AGRICULTURAL MARKETING SERVICE

The estimates include appropriation language for this item as follows
(new language underscored: deleted matter enclosed in brackets):

Payments to States and Possessions:

For payments to departments of agriculture, bureaus
and departments of markets, and similar agencies for
marketing activities under section 204(b) of the
Agricultural Marketing Act of 1946 (7 U.S.C. 1623(b)),
\$1,250,000.

PAYMENTS TO STATES AND POSSESSIONS

Appropriation Act, 1993	\$1,250,000
Budget Estimate, 1994	<u>1,250,000</u>
Change in Appropriation	<u> -- </u>

PROJECT STATEMENT
(On basis of appropriation)

	:	:	:	:	:
	:	1992	1993	:	Increase:
	:	Actual	Estimated	:	or 1994
	:			:	Decrease: Estimated
Payments for marketing service	:	:	:	:	:
work under Section 204(b) of	:	:	:	:	:
the Agricultural Marketing	:	:	:	:	:
Act of 1946	:	\$1,250,000	\$1,250,000	:	-- \$1,250,000
Total, appropriation	:	1,250,000	1,250,000	:	-- 1,250,000

EXPLANATION OF PROGRAM

The Federal-State Marketing Improvement Program is authorized by Section 204(b) of the Agricultural Marketing Act of 1946. This legislation also grants the U.S. Department of Agriculture authority to establish cooperative agreements with State Departments of Agriculture or similar State agencies. These agreements make possible joint efforts to improve the efficiency of the agricultural marketing chain. The States perform the work or contract it to others, and must contribute at least half of the cost of the projects.

Payments are made to State marketing agencies to: identify and market test alternative farm commodities; determine methods of providing more reliable market information, and develop better commodity grading standards. This program has covered many types of projects, such as electronic marketing and agricultural product diversification. The general themes of the current projects include the improvement of marketing efficiency and effectiveness, and seeking new outlets for existing farm produced commodities.

Agricultural Marketing Service
 Payments to States and Possessions
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS
1992 and Estimated 1993 and 1994

	<u>1992</u>
Arkansas	45,000
California	129,199
Colorado	36,000
Connecticut	75,000
Delaware	14,000
District of Columbia	15,625
Florida	74,000
Idaho	36,000
Indiana	26,000
Iowa	31,687
Louisiana	37,875
Maryland	58,178
Michigan	30,600
Minnesota	65,000
Mississippi	75,000
Missouri	40,000
Nebraska	29,000
New York	42,119
North Carolina	10,000
North Dakota	59,975
Oregon	40,000
Pennsylvania	80,000
Texas	120,824
Virginia	9,918
Washington	55,000
Wisconsin	<u>14,000</u>

Total, Available or
 Estimate a/ \$1,250,000

a/ Distribution of obligations by State not available until projects
 have been selected for funding in 1993 \$1,250,000 and 1994 \$1,250,000.

REPORT OF THE
COMMISSIONER OF THE
LAND OFFICE
FOR THE YEAR 1900

Alabama	1,000,000
Arizona	1,000,000
Arkansas	1,000,000
California	1,000,000
Colorado	1,000,000
Connecticut	1,000,000
Delaware	1,000,000
District of Columbia	1,000,000
Florida	1,000,000
Georgia	1,000,000
Idaho	1,000,000
Illinois	1,000,000
Indiana	1,000,000
Iowa	1,000,000
Kansas	1,000,000
Kentucky	1,000,000
Louisiana	1,000,000
Maine	1,000,000
Maryland	1,000,000
Massachusetts	1,000,000
Michigan	1,000,000
Minnesota	1,000,000
Mississippi	1,000,000
Missouri	1,000,000
Montana	1,000,000
Nebraska	1,000,000
Nevada	1,000,000
New Hampshire	1,000,000
New Jersey	1,000,000
New Mexico	1,000,000
New York	1,000,000
North Carolina	1,000,000
North Dakota	1,000,000
Ohio	1,000,000
Oklahoma	1,000,000
Oregon	1,000,000
Pennsylvania	1,000,000
Rhode Island	1,000,000
South Carolina	1,000,000
South Dakota	1,000,000
Tennessee	1,000,000
Texas	1,000,000
Vermont	1,000,000
Virginia	1,000,000
Washington	1,000,000
West Virginia	1,000,000
Wisconsin	1,000,000
Wyoming	1,000,000

THESE FIGURES ARE BASED ON THE
LATEST AVAILABLE DATA

PERISHABLE AGRICULTURAL COMMODITIES ACT FUND

Appropriations Act, 1993 (from receipts)	\$7,621,000
Budget Estimate, 1994 (from receipts)	<u>7,771,000</u>
Increase in Appropriation	<u>+150,000</u>

SUMMARY OF INCREASES AND DECREASES
(On basis of available funds)

	<u>1993</u> <u>Estimated</u>	<u>Pay Cost</u>	<u>Other</u> <u>Changes</u>	<u>1994</u> <u>Estimated</u>
Licensing dealers and handling complaints ..	\$7,621,000	+\$138,000	+\$12,000	\$7,771,000

PROJECT STATEMENT
(On basis of available funds)

Project	: 1992 Actual	: 1993 Estimated	: Increase	: 1994 Estimated
	: Staff-	: Staff-	: or	: Staff-
	: Amount	: Amount	: Decrease	: Amount
Licensing dealers and handling complaints	\$6,730,807	\$7,621,000	+\$150,000	\$7,771,000
Unobligated balance available: start of period ..	-88,821	-1,233,171	--	-1,233,171
Unobligated balance available: end of period ...	1,233,171	1,233,171	--	1,233,171
Total available or estimate	7,875,157	7,621,000	(1) +150,000	7,771,000

OBLIGATION LEVELS
(on basis of available funds)

Item	: 1992	: 1993	: 1994
	: Actual	: Estimated	: Estimated
Appropriation (from receipts)	\$7,875,157	\$7,621,000	\$7,771,000
Unobligated balance available, start of period	88,821	1,233,171	1,233,171
Total available	7,963,978	8,854,171	9,004,171
Total obligations	-6,730,807	-7,621,000	-7,771,000
Unobligated balance available, end of period	1,233,171	1,233,171	1,233,171

EXPLANATION OF PROGRAMPERISHABLE AGRICULTURAL COMMODITIES ACT

This program is carried out under the Perishable Agricultural Commodities Act and the Produce Agency Act.

These Acts are designed to: (1) protect producers, shippers, distributors and retailers from unfair and fraudulent practices in the marketing of perishable agricultural commodities; and (2) prevent the unwarranted destruction or dumping of farm products handled for others.

Commission merchants, dealers, brokers, and retailers engaged in the business of handling fresh or frozen fruits and vegetables in interstate or foreign commerce must be licensed under the Perishable Agricultural Commodities Act (PACA). Buyers and sellers must fulfill the terms of contractual agreements, and buyers must pay promptly for their purchases.

Traders who have been found in a formal proceeding to have violated the prompt payment provision of this Act are penalized by restrictions on trading in the industry for a specific period of time. When eligible to resume trading, they are required to post surety bonds before resuming operations. False or misleading statements, misbranding, and similar violations are prohibited.

To increase protection and avert financial losses to growers and licensed firms, the Perishable Agricultural Commodities Act was amended in May 1984 to create a statutory trust. This statutory trust provision requires traders to have sufficient assets on hand to meet their obligations to fruit and vegetable suppliers. Sellers of fruits and vegetables who have not been paid are secured under this legislation until full payment is made. These sellers are also secured in the event the buyer files for bankruptcy or becomes insolvent. The amendment also improves the timeliness of payment.

Complaints of violations are investigated and violations resolved through: (1) informal agreements between the two parties; (2) formal decisions involving payment of reparation awards; and/or (3) suspension or revocation of license and/or publication of the facts. Any interested party or group may request AMS assistance in settling disputes under the Perishable Agricultural Commodities Act.

License fees are deposited into a special fund and are used to meet the costs of administering these Acts. The annual PACA license fee is \$400, plus \$200 for every branch or business facility above nine, up to a maximum annual fee of \$4,000.

Perishable Agricultural Commodities Act Workload Data:

<u>Licensing Activities:</u>	<u>1992 Actual</u>	<u>1993 Estimate</u>	<u>1994 Estimate</u>
Licenses renewed	13,225	13,300	13,300
New licenses issued	<u>1,855</u>	<u>1,900</u>	<u>1,900</u>
In effect, end of year	15,080	15,200	15,200

<u>Actions Completed: *</u>	<u>1992 Actual</u>	<u>1993 Estimate</u>	<u>1994 Estimate</u>
License actions	23,000	23,100	23,150
Reparation actions	48,000	50,000	52,000
Disciplinary actions	317	350	375
Personal investigations	2,800	2,700	2,700
Statutory Trust actions	125,000	140,000	160,000
Misbranding actions	<u>510</u>	<u>550</u>	<u>575</u>
Total Actions	199,627	216,700	238,800

Reparations: (Dollars in Millions)

Awarded - Formal orders	15,344	\$15,600	\$15,900
Payments - Amicable settle- ments	<u>19,600</u>	<u>19,800</u>	<u>20,000</u>
Total Reparations	34,944	35,400	35,900

Statutory Trust:

Notices filed	125,000	140,000	160,000
Refunds to sellers (Dollars in Millions)	673	750	850

* Statutory Trust Notices included in Actions Completed.

JUSTIFICATION OF INCREASES AND DECREASES
Perishable Agricultural Commodities Act

- (1) A net increase of \$150,000 for Perishable Agricultural Commodities Act activities consisting of:
- (a) an increase of \$61,000 which reflects a 2.7 percent increase in non-salary costs.
 - (b) an increase of \$138,000 which reflects the annualization of the fiscal year 1993 pay raise.
 - (c) a decrease of \$49,000 for administrative efficiency.

Need for Change. To promote the efficient use of resources for administrative purposes, in keeping with the President's Executive Order, total USDA baseline outlays for these activities will be reduced by 3 percent in FY 1994, 6 percent in FY 1995, 9 percent in FY 1996 and 14 percent in FY 1997.

Nature of Change. In order to achieve this savings, AMS will carefully monitor travel expenses, supply purchases, printing and reproduction costs, and utility usage.

U.S.D.A. Agricultural Marketing Service
 Perishable Agricultural Commodities Act
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS AND STAFF-YEARS
1992 and Estimated 1993 and 1994

	<u>1992</u>		<u>1993</u>		<u>1994</u>	
	<u>Amount</u>	<u>Staff- Years</u>	<u>Amount</u>	<u>Staff- Years</u>	<u>Amount</u>	<u>Staff- Years</u>
Arizona	\$732,984	15	\$830,000	15	\$846,000	15
District of Columbia.	3,348,730	67	3,792,000	68	3,867,000	68
Illinois	583,964	11	661,000	12	674,000	12
New Jersey	671,094	13	760,000	13	775,000	13
Texas	692,047	13	783,000	13	798,000	13
Virginia.....	701,988	13	795,000	14	811,000	14
Total, Available or Estimate	<u>\$6,730,807</u>	<u>132</u>	<u>\$7,621,000</u>	<u>135</u>	<u>\$7,771,000</u>	<u>135</u>

AGRICULTURAL MARKETING SERVICE

The estimates include proposed changes in the language of this item as follows (new language underscored; deleted matter enclosed in brackets):

Limitation on Administrative Expenses

Not to exceed \$55,953,000 (from fees collected) shall be obligated during the current fiscal year for administrative expenses: Provided, That if crop size is understated and/or other uncontrollable events occur, the Agency may exceed this limitation by up to 10 percent with notification to the Appropriations Committees.

Limitation on Administrative Expenses

Appropriation Act, 1993	\$55,953,000
Budget Estimate, 1994	<u>55,953,000</u>
Change in Limitation	<u> -- </u>

PASSENGER MOTOR VEHICLES

The 1994 Budget Estimates propose the purchase of 30 replacements and three additional motor vehicles.

The estimated number of passenger motor vehicles available for 1994 are the minimum necessary to maintain essential services in AMS programs. These cars are used to provide the following necessary services: (1) traveling to places which in most cases are not accessible by common carriers, such as farms, market terminals, offices of product dealers and truckers, processing plants, canneries, stockyards, cotton gins, and compress operators; (2) carrying special grading and testing equipment used for inspecting and grading commodities and for performing other work required under the Agricultural Marketing Act of 1946; U.S. Cotton Standards Act; Cotton Statistics and Estimates Act; Tobacco Inspection Act; and Dairy and Tobacco Adjustment Act; and (3) carrying boxes of cotton standards types used in classing work and demonstration at farmers' meetings.

Additional passenger motor vehicles. Three additional passenger motor vehicles are requested for use in the science division. The implementation of the laboratory accreditation program will require additional vehicles for visiting commercial laboratories across the country.

Replacement of passenger motor vehicles. Replacement of 30 of the 62 vehicles now in operation is proposed. All vehicles proposed to be replaced are expected to have mileage over 60,000 or will be more than six years of age.

The age and mileage data for passenger motor vehicles on hand as of September 30, 1992 are as follows:

<u>Age-Year Model</u>	<u>Age Data</u>			<u>Mileage Data</u>	
	<u>Number of Vehicles</u>	<u>Percent of Total</u>	<u>Lifetime Mileage</u> (thousands)	<u>Number of Vehicles</u>	<u>Percentage of Total</u>
1986 or older	5	8	80-100	10	16
1987	3	5	60-80	21	34
1988	31	50	40-60	11	18
1989	6	10	20-40	11	18
1990	9	14	Under 20	<u>9</u>	<u>14</u>
1991	3	5			
1992	<u>5</u>	<u>8</u>	Total	<u>62</u>	<u>100</u>
Total	<u>62</u>	<u>100</u>			

FUNDS FOR STRENGTHENING MARKETS, INCOME, AND SUPPLY (SECTION 32)

The estimates include appropriations language for this item as follows (new language underscored; deleted matter enclosed in brackets):

Funds For Strengthening Markets, Income and Supply (Section 32):

Funds available under section 32 of the Act of August 24, 1935 (7 U.S.C. 612c) shall be used only for commodity program expenses as authorized therein, and other related operating expenses, except for: (1) transfers to the Department of Commerce as authorized by the Fish and Wildlife Act of August 8, 1956; (2) transfers otherwise provided in this Act; and (3) not more than [\$10,309,000] \$10,670,000 for formulation and administration of Marketing Agreements and Orders pursuant to the Agricultural Marketing Agreement Act of 1937, as amended, and the Agricultural Act of 1961. [In fiscal years 1993 and 1994, section 32 funds shall be used to promote sunflower and cottonseed oil exports to the full extent authorized by section 1541 of Public Law 101-624 (7 U.S.C. 1464 note), and such funds shall be used to facilitate additional sales of such oils in world markets.]

This change deletes language that is not necessary in FY 1994 because the funds are already appropriated.

FUNDS FOR STRENGTHENING MARKETS, INCOME, AND SUPPLY (SECTION 32) -- CURRENT LAW

Permanent Appropriation, 1993	\$4,978,817,276
Less transfers to:	
Department of Commerce to promote and develop fishery products and research pertaining to American fisheries	-61,408,060
Food and Nutrition Service, Child Nutrition Programs	-4,290,455,000
Total transfers	-4,351,863,060
Adjusted Base for 1993	626,954,216
Budget Estimate, 1994:	
Annual permanent appropriation	\$5,282,000,216
Less transfers to:	
Department of Commerce	-61,400,000
Food and Nutrition Service	-4,710,185,000
Total transfers	-4,771,585,000
Budget Estimate, Current Law, 1994	510,415,216
Decrease from adjusted 1993	<u>-116,539,000</u>

SUMMARY OF INCREASES AND DECREASES - CURRENT LAW
(On basis of adjusted appropriation)

<u>Item of Change</u>	<u>1993 Estimated</u>	<u>Pay Cost</u>	<u>Other Changes</u>	<u>1994 Estimated</u>
Commodity Purchases	\$424,100,000	--	-\$24,100,000	\$400,000,000
Disaster Relief	900,000	--	-900,000	--
Sunflowerseed Oil and Cottonseed Oil Purchases ..	50,000,000	--	--	50,000,000
Commodity Purchase Services ..	6,062,000	+\$59,000	-5,000	6,116,000
Marketing Agreements and Orders	<u>10,309,000</u>	<u>+364,000</u>	<u>-3,000</u>	<u>10,670,000</u>
Total Available	<u>491,371,000</u>	<u>+423,000</u>	<u>-25,008,000</u>	<u>466,786,000</u>

PROJECT STATEMENT - CURRENT LAW
(On basis of adjusted appropriation)

Project	1992 Actual		1993 Estimated		Increase or Decrease	1994 Estimated	
	Amount	Staff: Years	Amount	Staff: Years		Amount	Staff: Years
1. <u>Commodity Purchases</u>							
a. Child Nutrition Program							
Purchases	\$399,051,173	--	\$400,000,000	--	--	400,000,000	--
b. Emergency Surplus Removal							
Subtotal	102,928,489	--	24,100,000	--	-\$24,100,000(1)	--	--
2. <u>Disaster Relief</u> ..	501,979,662	--	424,100,000	--	-24,100,000	400,000,000	--
3. <u>Sunflowerseed Oil & Cottonseed Oil Purchases</u> ..	11,175,000	--	900,000	--	-900,000(2)	--	--
4. <u>Administrative Funds</u>							
a. Commodity Purchase Services	50,000,000	--	50,000,000	--	--	50,000,000	--
b. Marketing Agreements & Orders ..							
Subtotal	5,988,616	41	6,062,000	46	+54,000	6,116,000	46
Total obligations	<u>9,288,020</u>	<u>114</u>	<u>10,309,000</u>	<u>120</u>	<u>+361,000</u>	<u>10,670,000</u>	<u>120</u>
Recovery of Prior Year obligations	15,276,636	155	16,371,000	166	+415,000(3)	16,786,000	166
Unobligated balance available, start of year	578,431,298	155	491,371,000	166	-24,585,000	466,786,000	166
Unobligated balance available end of year	-14,634,355	--	--	--	--	--	--
Total, available or estimate	-262,429,546	--	-120,787,568	--	-135,583,216	-256,370,784	--
	120,787,568	--	256,370,784	--	+43,629,216	300,000,000	--
	422,154,965	155	626,954,216	166	-116,539,000	510,415,216	166

OBLIGATION LEVELS
(On basis of available funds)

Item	1992 Actual	1993 Estimated	1994 Estimated
Appropriation or estimate ..	\$5,161,359,891	\$4,978,817,276	\$5,282,000,216
Unobligated balance			
available, start of year .	262,429,546	120,787,568	256,370,784
Recovery of Prior Year			
obligations	14,634,355		
Total available	5,438,423,792	5,099,604,844	5,538,371,000
Less transfers to:			
Food and Nutrition			
Service, Child			
Nutrition Programs ..	-4,675,092,000	-4,290,455,000	-4,710,185,000
Department of Commerce .	-64,112,926	-61,408,060	-61,400,000
Total transfers	-4,739,204,926	-4,351,863,060	-4,771,585,000
Total available after			
transfers	699,218,866	747,741,784	766,786,000
Less total obligations	-578,431,298	-491,371,000	-466,786,000 a/
Unobligated balance			
available, end of year....	120,787,568	256,370,784	300,000,000
a/ Under proposed legislation, obligations of \$10,286,000 in 1994 will be paid for by user fees.			

EXPLANATION OF PROGRAM

Under Section 32 of the Act of August 24, 1935, (7 U.S.C. 612c) an amount equal to 30 percent of customs receipts collected during each preceding calendar year and unused balances up to \$300 million are available for encouraging the domestic consumption and exportation of agricultural commodities. An amount equal up to 30 percent of receipts collected on fishery products is transferred to the Department of Commerce. Additionally, funds are transferred to the Food and Nutrition Service for use by the Child Nutrition Programs as provided in the current Appropriations Act.

Commodity Purchases:

Pursuant to Section 32, the Agricultural Marketing Service directs the purchase of commodities such as meats and fish, fruits and vegetables, and poultry in order to stabilize market conditions and provide commodities for distribution through the Food and Nutrition Service to schools as part of the entitlement for the National School Lunch Program. In addition, AMS purchases commodities for other domestic feeding programs of the Food and Nutrition Service (FNS). AMS is reimbursed by FNS for the administrative costs associated with purchases made for FNS domestic feeding programs. Commodities purchased for market stability purposes are donated to eligible schools or public or private institutions that operate meal programs.

Commodity Purchase Services Workload Data:

	<u>FY 1992 Actual</u>	<u>FY 1993 Estimate</u>	<u>FY 1994 Estimate</u>
Contract bids received:			
Fruits and Vegetables	695	760	836
Meat and Fish	541	650	750
Poultry	<u>742</u>	<u>755</u>	<u>765</u>
Total	1,978	2,165	2,351
Contracts awarded:			
Fruits and Vegetables	440	485	535
Meat and Fish	300	350	400
Poultry	<u>471</u>	<u>480</u>	<u>490</u>
Total	1,211	1,315	1,425

Summary of Purchases by Commodity Group
(In thousands)

<u>Commodity Group</u>	<u>1991 Actual</u>		<u>1992 Actual</u>	
	<u>Pounds</u>	<u>Obligations</u>	<u>Pounds</u>	<u>Obligations</u>
Poultry	121,202	\$87,834	159,264	\$116,681
Meat	149,928	191,628	193,506	246,691
Fruit	104,679	63,199	166,919	76,727
Vegetables	<u>200,647</u>	<u>62,511</u>	<u>221,473</u>	<u>61,881</u>
Total	<u>576,456</u>	<u>\$405,172</u>	<u>741,162</u>	<u>\$501,980</u>

Section 32 Commodity Purchases FY 1991 and 1992
(In thousands)

<u>Item</u>	<u>1991 Actual</u>		<u>1992 Actual</u>	
	<u>Pounds</u>	<u>Obligations</u>	<u>Pounds</u>	<u>Obligations</u>
Almond Butter	17,908	\$21,220	--	--
Almonds, Slivered	--	--	1,553	\$3,199
Apple Slices, Canned	14,415	6,460	11,799	4,914
Apples, Fresh	6,442	1,612	5,677	1,916
Applesauce	25,914	7,794	22,069	6,453
Apricots, Canned	--	--	7,927	4,019
Asparagus, Canned	2,457	1,695	1,428	1,101
Asparagus, Frozen	320	401	277	365
Beans, Dry	27,961	6,104	32,244	6,513
Beans, Green, Canned	8,889	2,346	24,317	6,218
Beans, Green, Frozen	928	349	3 858	1,251
Beans, Refried, Canned	3,742	1,103	6,999	2,146
Beans, Vegetarian, Canned	21,672	4,986	16,806	3,351
Beef, Frozen Ground	86,927	112,859	102,600	131,168
Beef Patties	29,008	35,393	32,069	40,233
Caneberry, Puree	--	--	2,515	2,016
Catfish, Filet Strips	--	--	252	733
Catfish, Whole	--	--	2,700	4,860
Chicken, Chilled	13,248	6,706	11,413	5,711
Chicken, Cooked	--	--	2,106	2,406
Chicken, Diced	2,910	6,356	10,280	22,916
Chicken, Frozen, Cut-Up	59,151	34,205	60,224	30,601
Chicken, Nuggets	--	--	777	1,199

Section 32 Commodity Purchases FY 1991 and 1992
(In thousands)

<u>Item</u>	<u>1991 Actual</u>		<u>1992 Actual</u>	
	<u>Pounds</u>	<u>Obligations</u>	<u>Pounds</u>	<u>Obligations</u>
Corn, Canned	20,858	6,660	31,963	9,160
Corn, Frozen	17,335	8,409	2,927	1,078
Date Pieces	3,960	2,302	3,060	2,398
Eggs, Whole, Frozen	7,119	4,316	9,693	4,669
Grape Juice, Canned	--	--	10,649	3,601
Ham, Cooked, Frozen	--	--	15,912	24,549
Mixed Fruit, Canned	--	--	9,200	4,810
Peaches, Canned	--	--	21,248	10,522
Peaches, Frozen	--	--	12,240	7,949
Pears, Canned	--	--	42,652	17,008
Pears, Fresh	4,568	1,500	4,077	1,236
Peas, Canned	--	--	7,159	2,205
Peas, Frozen	7,662	2,930	5,649	2,000
Pineapple, Canned	6,657	3,249	9,006	4,694
Plums, Canned	2,932	1,021	--	--
Pork, Canned	1,515	2,260	12,498	16,107
Pork, Frozen, Ground	21,893	25,050	18,295	16,597
Potatoes, Dehydrated	--	--	9,630	4,996
Potato Rounds, Frozen	42,934	13,031	25,979	6,258
Potatoes, French Fries	30,355	8,842	27,088	6,698
Prunes, Dried	6,157	5,756	--	--
Raisins	11,963	6,378	--	--
Raspberry Puree	281	237	--	--
Salmon, Canned	5,012	8,355	3,434	5,760
Strawberries, Frozen	--	--	3,247	1,974
Sweet Potatoes, Canned	--	--	3,247	1,974
Tomatoes, Crused	--	--	7,773	2,200
Tomatoes, Paste	--	--	4,200	1,565
Tomatoes, Whole	--	--	5,728	1,754
Tuna, Canned	5,573	7,711	5,746	6,684
Turkey, Burgers, Frozen	--	--	1,547	1,594
Turkey, Chilled	5,975	4,078	--	--
Turkey, Frozen, Ground	7,070	5,237	8,230	5,994
Turkey, Roast	14,738	19,387	12,694	16,723
Turkey, Whole, Frozen	10,991	7,549	42,300	24,868
Walnuts, English	3,482	5,670	--	--
Undistributed	--	--	--	32
Total	576,456	\$405,172	741,162	\$501,980

Federal Food Specifications:

AMS also develops, coordinates, and approves Federal food product descriptions and establishes quality assurance policies and procedures for the procurement of food by USDA, the Department of Defense, Indian Health Service, National Institutes of Health, Bureau of Prisons, and the Department of Veterans Affairs. The major goal of this program is to update and streamline Federal food specifications to improve the cost efficiency of Federal food purchasing by using Commercial Item Descriptions whenever possible.

Federal Food Specification Workload Data:

	<u>FY 1992</u> <u>Actual</u>	<u>FY 1993</u> <u>Estimate</u>	<u>FY 1994</u> <u>Estimate</u>
Commercial Item Descriptions (CID's) developed, coordinated and approved...	3	3	2
CID's revised.....	8	8	10
Federal Specifications approved	0	1	0
Documents canceled.....	8	5	2
Department of Defense food documents coordinated.....	45	45	25
Food product description reviewed.....	16	15	15
Federal specifications amended.	2	1	1

Marketing Agreements and Orders:

The marketing agreements and orders program is authorized by the Agricultural Marketing Agreement Act of 1937. Section 32 funds authorized under 7 U.S.C. 1392b are used by the Department for administering marketing agreement and order programs at the national level and for public hearings and referenda to determine producer sentiment concerning new programs and proposed revisions of marketing orders already in effect. Administration at the local level is financed through handler assessments.

Marketing orders are designed to stabilize market conditions and to improve the returns for fluid milk and fruit and vegetable producers. Stabilized market conditions are accomplished by: (1) establishing minimum prices which handlers pay to dairy producers; and (2) regulating the quality and quantity of fruits and vegetables sold in commercial channels.

The orders are requested by producers and handlers. Evaluations and hearings on proposed marketing orders are conducted by AMS. Proposed orders are subject to approval by producers of the regulated commodity. Once approved, the Secretary issues the marketing order and sets the effective date of the order.

Marketing Agreements and Orders Workload Data:

	<u>Fluid Milk Orders</u>			<u>Fruit, Vegetable and Specialty Crop Orders</u>		
	<u>1992</u> <u>Actual</u>	<u>1993</u> <u>Estimate</u>	<u>1994</u> <u>Estimate</u>	<u>1992</u> <u>Actual</u>	<u>1993</u> <u>Estimate</u>	<u>1994</u> <u>Estimate</u>
Agreement and order programs in effect.....	40	38	34	43	43	44
Requests received for new programs.....	0	0	0	0	2	2
<u>Hearings and Petitions:</u>						
Hearings held to consider amendments to existing orders or the issuance of orders in new areas.	4	6	6	0	3	3
Amendments issued.....	3	7	6	3	1	2
Suspensions and temporary revisions issued.....	17	15	15	1	4	3
Petitions received for review of orders.....	7	6	6	0	0	0
Petitions disposed of during the year.....	6	7	6	0	0	0

	Fluid Milk Orders			Fruit, Vegetable and Specialty Crop Orders		
	1992	1993	1994	1992	1993	1994
	<u>Actual</u>	<u>Estimate</u>	<u>Estimate</u>	<u>Actual</u>	<u>Estimate</u>	<u>Estimate</u>
Administrator's decisions issued.....	4	4	6	0	3	4
Secretary's decisions issued.....	3	4	5	0	3	5
Secretary's referendum orders issued.....	0	3	3	3	4	6
Termination orders issued.	0	2	2	0	0	0
<u>Order Operation</u> <u>and Enforcement:</u>						
Regulatory orders issued.	N/A	N/A	N/A	0	0	0
Investigation of alleged violations.....	3	10	10	131	190	200
Cases referred to the Department of Justice for prosecution.....	1	5	5	94	108	130
Court cases resolved.....	2	4	4	4	10	20
15A Petitions received for review.....	0	6	5	8	15	15
15A Petitions disposed of during the year.....	1	4	4	35	10	10
Freedom of Information requests.....	13	15	15	55	70	90
<u>Order Management:</u>						
Appointment of an administrative committee	N/A	N/A	N/A	52	52	52
Promulgation of committee rule-making...	N/A	N/A	N/A	192	220	250
Budgets approved.....	15	15	15	45	47	47
Committee/Subcommittee meetings attended.....	N/A	N/A	N/A	369	380	400
Nomination meetings attended.....	N/A	N/A	N/A	120	120	120
Million tons regulated....	53.0	53.3	54.2	N/A	N/A	N/A
Percent Grade A marketed..	77	80	80	N/A	N/A	N/A
Value of marketings (million \$).....	14,164	13,360	12,965	N/A	N/A	N/A
Total number of markets...	40	38	34	N/A	N/A	N/A
Value of producer deliveries (Million \$)...	14,164	13,360	12,965	N/A	N/A	N/A
<u>Cooperative Qualifications:</u>						
Cooperatives qualified...	177	180	180	N/A	N/A	N/A
Cooperative qualifications terminated.....	4	8	8	N/A	N/A	N/A
Cooperative annual reports reviewed.....	177	180	180	N/A	N/A	N/A

JUSTIFICATION OF INCREASES AND DECREASES
Section 32

- (1) A decrease of \$24,100,000 for emergency surplus removal purchases. The budget customarily does not anticipate this need in the budget year.
- (2) A decrease of \$900,000 in disaster relief. The budget customarily does not anticipate this need in the budget year.
- (3) A net increase of \$415,000 for commodity purchases and marketing agreements and orders activity consisting of:

- (a) an increase of \$423,000 which reflects the annualization of the fiscal year 1993 pay raise.

This increase includes \$59,000 to annualize the pay raise for the commodity purchase services program and \$364,000 to annualize the pay raise for the marketing agreements and orders program.

- (b) an increase of \$209,000 which reflects a 2.7 percent increase in non-salary costs.

This increase includes \$108,000 for non-salary costs in the commodity purchase services program and \$101,000 for non-salary costs in the marketing agreements and orders program.

- (c) a decrease of \$217,000 for administrative efficiency.

Need for Change. To promote the efficient use of resources for administrative purposes, in keeping with the President's Executive Order, total USDA baseline outlays for these activities will be reduced by 3 percent in FY 1994, 6 percent in FY 1995, 9 percent in FY 1996, and 14 percent in FY 1997.

Nature of Change. In order to achieve this savings, the commodity purchase services program and the marketing agreements and orders program will carefully monitor travel expenses, supply purchases, printing and reproduction costs, and utility usage.

Funds for Strengthening Markets, Income, and Supply
(Section 32)

Summary of Proposed Legislation

SUMMARY OF INCREASES AND DECREASES - PROPOSED LEGISLATION

Obligations from New Budget Authority

<u>Item of Change</u>	1994		
	<u>Current Law</u>	<u>Program Changes</u>	<u>President's Request</u>
Commodity Purchases	\$400,000,000	--	\$400,000,000
Sunflower and Cottonseed Oil ...	50,000,000	--	50,000,000
Commodity Purchase Services	6,116,000	--	6,116,000
Marketing Agreements and Orders.	10,670,000	-\$10,670,000	--
Conversion Costs	<u>--</u>	<u>+384,000</u>	<u>384,000</u>
Total Obligations from New Budget Authority	<u>466,786,000</u>	<u>-10,286,000</u>	<u>456,500,000</u>

Marketing agreements and orders are regulations issued by the Secretary that help stabilize market prices and supply for milk, fruit, vegetables, and certain specialty crops. The orders are administered locally by marketing order committees and market administrators who are funded from assessments on regulated producers and handlers. Federal oversight and administrative support is presently funded from the Section 32 appropriation.

Since the Federal operations directly support local activities, AMS proposes to recover Federal costs for oversight of marketing agreements and orders through increased assessments to those producers and handlers who benefit. The local market administrator or committee will be billed for their portion of Federal costs, and payments will be credited to the account incurring the cost.

The proposal is estimated to generate savings of \$10,670,000 in 1994. The saving will be offset by one-time conversion costs of \$384,000 to fund leave liability accumulated under the appropriated program. Without appropriated funding, these costs would become an immediate liability to the users. The net savings is \$10,286,000.

Agricultural Marketing Service
Section 32 Administrative Funds
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS AND STAFF-YEARS
1992 AND ESTIMATED 1993 AND 1994

	<u>1992</u>		<u>1993</u>		<u>1994</u>	
	<u>Amount</u>	<u>Staff- Years</u>	<u>Amount</u>	<u>Staff- Years</u>	<u>Amount</u>	<u>Staff- Years</u>
California	\$499,186	6	\$554,000	7	\$573,000	7
District of Columbia	14,186,530	142	15,161,000	151	15,534,000	151
Florida	189,338	2	210,000	3	217,000	3
Illinois	88,006	1	98,000	1	102,000	1
Oregon	230,242	3	256,000	3	265,000	3
Texas	83,334	1	92,000	1	95,000	1
Total, Available or Estimate	<u>15,276,636</u>	<u>155</u>	<u>16,371,000</u>	<u>166</u>	<u>16,786,000</u>	<u>166</u>

Sunflower and Cottonseed Oil Purchase
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS AND STAFF-YEARS
1992 AND ESTIMATED 1993 AND 1994

	<u>1992</u>		<u>1993</u>		<u>1994</u>	
	<u>Amount</u>	<u>Staff- Years</u>	<u>Amount</u>	<u>Staff- Years</u>	<u>Amount</u>	<u>Staff- Years</u>
Undistributed	\$50,000,000 ^{1/}	--	\$50,000,000 ^{1/}	--	\$50,000,000 ^{1/}	--
Total, Available or Estimate	<u>\$50,000,000 ^{1/}</u>	<u>--</u>	<u>\$50,000,000 ^{1/}</u>	<u>--</u>	<u>\$50,000,000 ^{1/}</u>	<u>--</u>

^{1/} Distribution by State cannot be determined.

Disaster Relief
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS AND STAFF-YEARS
1992 AND ESTIMATED 1993 AND 1994

	<u>1992</u>		<u>1993</u>		<u>1994</u>	
	<u>Amount</u>	<u>Staff- Years</u>	<u>Amount</u>	<u>Staff- Years</u>	<u>Amount</u>	<u>Staff- Years</u>
California	\$2,000,000	--	--	--	--	--
Florida	4,750,000	--	--	--	--	--
Hawaii	600,000	--	\$900,000	--	--	--
Louisiana	250,000	--	--	--	--	--
Guam	275,000	--	--	--	--	--
Marshall Islands ..	500,000	--	--	--	--	--
Federated States of Micronesia	<u>2,800,000</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Total, Available or Estimate	<u>\$11,175,000</u>	<u>--</u>	<u>\$900,000</u>	<u>--</u>	<u>--</u>	<u>--</u>

Commodity Purchases
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS AND STAFF-YEARS
1992 AND ESTIMATED 1993 AND 1994

	<u>1992</u>		<u>1993</u>		<u>1994</u>
	Amount	Staff- Years	Amount	Staff- Years	Amount Staff- Years
Alabama	\$3,555,522				
Arkansas	12,505,819				
California	57,016,356				
Colorado	4,844,104				
Delaware	95,376				
Florida	171,677				
Georgia	26,961,328				
Idaho	1,324,222				
Illinois	3,648,388				
Indiana	1,303,641				
Iowa	11,761,885				
Kansas	1,588,766				
Louisiana	2,769,422				
Maine	6,466,000				
Maryland	3,240,279				
Michigan	16,425,779				
Minnesota	35,153,134				
Mississippi	24,603,027				
Missouri	54,360,382				
Nebraska	60,208,946				
New Jersey	41,565,422				
New York	4,834,566				
North Carolina	13,601,139				
North Dakota	453,288				
Ohio	2,162,528				
Oregon	2,402,475				
Pennsylvania	58,611,145				
Puerto Rico	1,506				
South Carolina	476,881				
Texas	4,237,210				
Utah	5,529,306				
Virginia	21,761,822				
Washington	16,087,444				
Wisconsin	2,250,877				
Undistributed	--	--	\$424,100,000 1/	--	\$400,000,000 1/
Total, Available or Estimate	501,979,662	--	424,100,000 1/	--	400,000,000 1/

1/ Since contracts for commodity purchases are awarded to the lowest bidder, distribution by State cannot be determined at this time.

FEDERAL GRAIN INSPECTION SERVICE

Purpose Statement

The Federal Grain Inspection Service (FGIS) was established on November 20, 1976, pursuant to the U.S. Grain Standards Act (USGSA), as amended (Public Law 94-582). In 1977, it was amended to provide appropriated funding for field supervision. The Omnibus Budget Reconciliation Act of 1981 amended the USGSA to require user fee funding to support supervision and administration of the inspection and weighing programs previously covered by appropriations. Authority to collect user fees for supervision and administration activities and authority to invest retained earnings in interest-bearing accounts has been extended through September 1993.

The 1981 amendments also established an FGIS Advisory Committee to provide advice to the Administrator of FGIS on the implementation of the USGSA. Programs supporting the Grain Quality Improvement Act (GQIA) of 1986 continue. The Grain Quality Title of the Food, Agriculture, Conservation and Trade Act of 1990 supports continued expansion in this area.

Inspection and weighing programs are also carried out under the authority of the Agricultural Marketing Act of 1946 (AMA), as amended. Programs under the AMA include the inspection and grading of rice, dry beans, lentils, dry peas, processed grain products, hops, and related commodities.

The mission of FGIS is to facilitate the marketing of grain, oilseeds, pulses, rice, and related commodities by: (a) establishing descriptive standards and terms, (b) accurately and consistently certifying quality, (c) providing for uniform official inspection and weighing, (d) carrying out assigned regulatory and service responsibilities, and (e) providing the framework for commodity quality improvement incentives to both domestic and foreign buyers. Through these permissive and mandatory programs, FGIS assists in advancing the orderly and efficient marketing and effective distribution of U.S. grain and other assigned commodities from the Nation's farms to domestic and foreign buyers. FGIS, acting as an impartial third party, assures that the standards are applied and the weights are recorded in a fair and accurate manner, thereby facilitating domestic and foreign grain grading. Activities of the Agency are as follows:

1. Standardization and Quality Control Activities: Functions include developing objective tests and methods for determining grain quality; determining the criteria and recommending specifications for grain inspection instrumentation; maintaining uniform standards for grains and commodities, and developing and maintaining an Agency-wide quality assurance program. Inspection appeals, quality assurance specialist (QAS) technical training, and research and development activities are included in this program area.
2. Compliance Activities: Activities ensure that the Agency operates in conformance with all requirements and procedures established by statute, regulation, instruction, or directive. The program ensures, through reviews, evaluations, and enforcement, if necessary, that the USGSA, and applicable provisions of the AMA, and regulations, procedures, and policies issued thereunder are implemented accurately and effectively.
3. Inspection and Weighing Activities: The USGSA requires: (1) mandatory inspection and weighing services at export ports by FGIS or delegated State agency personnel; and (2) permissive inspection and weighing services at domestic locations by designated State and private agency personnel. The USGSA also requires FGIS to supervise all official inspection and weighing activities. Further, on a request basis, FGIS personnel perform inspection of rice and related commodities under the AMA and provide nationwide appeal inspection services.

The FGIS headquarters is located in Washington, D.C., and Kansas City, Missouri, with field activities located in 22 field offices, 2 Federal/State offices, and 9 suboffices in 20 States and Canada. As of September 30, 1992, FGIS employment totaled 630 full-time permanent employees and 81 part-time temporary and intermittent employees. Of the total, 141 full-time employees and 3 part-time and intermittent employees were located at headquarters while the remaining 489 full-time employees and 78 part-time and intermittent employees were assigned to field locations. The costs of nearly all field services and most headquarters activities are financed from fees charged for services performed. User-fee supported activities accounted for 72 percent of total agency spending in FY 1992. Compliance and standardization activities, international monitoring, and the FGIS Advisory Committee are financed from appropriations.

FEDERAL GRAIN INSPECTION SERVICE

Available Funds and Staff-Years1992 Actual and Estimated, 1993 and 1994

Item	1992		1993		1994	
	Actual		Estimated		Estimated	
	Amount	Staff-Years	Amount	Staff-Years	Amount	Staff-Years
Salaries and Expenses	\$11,397,000:	153	\$11,397,000:	168	\$ 4,685,000:	78
New User Fees	- -	- -	- -	- -	6,882,000:	90
Inspection and Weighing						
Services	31,536,637:	527	42,784,000:	582	42,784,000:	582
Total, Federal Grain						
Inspection Service	42,933,637:	680	54,181,000:	750	54,351,000:	750

FEDERAL GRAIN INSPECTION SERVICE

Permanent Positions by Grade and Staff-Year Summary1992 and Estimated 1993 and 1994

Grade	1992			1993			1994		
	Head- quarter:	Field:	Total	Head- quarter:	Field:	Total	Head- quarter:	Field:	Total
Executive Level V	1	--	1	1	--	1	1	--	1
ES-6	1	--	1	1	--	1	1	--	1
ES-4	1	--	1	1	--	1	1	--	1
ES-1	1	--	1	1	--	1	1	--	1
GS/GM-15	1	--	1	3	--	3	3	--	3
GS/GM-14	12	--	12	12	--	12	12	--	12
GS/GM-13	23	10	33	26	10	36	26	10	36
GS-12	25	23	48	27	23	50	27	23	50
GS-11	7	84	91	7	84	91	7	84	91
GS-10	--	27	27	--	27	27	--	27	27
GS-9	18	216	234	21	216	237	21	216	237
GS-8	6	--	6	6	--	6	6	--	6
GS-7	22	18	40	25	18	43	25	18	43
GS-6	19	11	30	22	11	33	22	11	33
GS-5	12	126	138	15	126	141	15	126	141
GS-4	12	69	81	12	69	81	12	69	81
GS-3	--	9	9	--	9	9	--	9	9
GS-2	--	1	1	--	1	1	--	1	1
GS-1	--	--	--	--	--	--	--	--	--
Ungraded Positions.....	2	--	2	2	--	2	2	--	2
Total Permanent Positions	163	594	757	182	594	776	182	594	776
Unfilled Positions end-of-year	-2	-67	-69	-10	-67	-77	-10	-67	-77
Total, Permanent Employment, end-of-year.	161	527	688	172	527	699	172	527	699
Staff-Years: Ceiling	150	530	680	153	597	750	153	597	750

FEDERAL GRAIN INSPECTION SERVICE

Salaries and ExpensesCLASSIFICATION BY OBJECTS1992 and Estimated 1993 and 1994

	<u>1992</u>	<u>1993</u>	<u>1994</u>
Personnel Compensation:			
Headquarters	\$ 4,166,606	\$ 4,321,000	\$ 4,615,000
Field	<u>2,135,762</u>	<u>2,215,000</u>	<u>2,365,000</u>
11 Total personnel compensation	6,302,368	6,536,000	6,980,000
12 Personnel benefits	1,182,114	1,226,000	1,335,000
Total Personnel Compensation Benefits	<u>7,484,482</u>	<u>7,762,000</u>	<u>8,315,000</u>
Other Objects:			
21 Travel	344,860	472,000	497,000
22 Transportation of things ..	44,074	49,000	48,000
23.2 Rental payments to others .	72,051	52,000	52,000
23.3 Communications, utilities, and misc. charges	274,234	342,000	333,000
24 Printing and reproduction .	20,011	30,000	28,000
25 Other services	1,799,673	1,788,000	1,626,000
26 Supplies and materials	332,330	290,000	267,000
31 Equipment	872,713	612,000	401,000
Total other objects	<u>3,759,946</u>	<u>3,635,000</u>	<u>3,252,000</u>
Total direct obligations	<u>11,244,428</u>	<u>11,397,000</u>	<u>11,567,000</u>
<u>Position Data:</u>			
Average Salary, ES positions	\$102,033	\$105,298	\$106,009
Average Salary, GM/GS positions	\$ 35,429	\$ 36,740	\$ 36,988
Average Grade, GM/GS positions	11.38	11.38	11.38

FEDERAL GRAIN INSPECTION SERVICE

(New language is underscored; deleted matter is enclosed in brackets.)

Salaries and Expenses

For necessary expenses to carry out the provisions of the United States Grain Standards Act, as amended, and the standardization activities related to grain under the Agricultural Marketing Act of 1946, as amended, including field employment pursuant to section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed \$20,000 for employment under 5 U.S.C. 3109, [~~\$11,397,000~~] \$ 4,685,000: Provided, That the Secretary is authorized to charge fees to cover the cost of standardization activities. Notwithstanding 31 U.S.C. 3302, revenues received from these activities shall be credited to this account, to be available for carrying out these purposes without further appropriation: Provided further, That this appropriation shall be available pursuant to law (7 U.S.C. 2250) for the alteration and repair of buildings and improvements, but, unless otherwise provided, the cost of altering any one building during the fiscal year shall not exceed 10 per centum of the current replacement value of the building: Provided further, That none of the funds provided by this Act may be used to pay the salaries of any person or persons who require, or who authorize payments from fee-supported funds to any person or persons who require nonexport, nonterminal interior elevators to maintain records not involving official inspection or official weighing in the United States under Public Law 94-582 other than those necessary to fulfill the purposes of such Act.

The change in language is for the purpose of shifting the standardization activities from appropriated funding to user fees.

FEDERAL GRAIN INSPECTION SERVICE

SALARIES AND EXPENSES

Appropriations Act, 1993	\$11,397,000
Budget Estimate, 1994:	
Appropriations	\$ 4,685,000
New User Fees	6,882,000
Total, Budget Estimate, 1994	<u>11,567,000</u>
Increase in Estimate.....	<u>+ 170,000</u>

SUMMARY OF INCREASES AND DECREASES
(On basis of appropriation and user fees)

<u>Item of Change</u>	<u>1993 Estimated</u>	<u>Pay Cost</u>	<u>Other Changes</u>	<u>1994 Estimated</u>
Compliance Activities:.....	\$ 4,620,000	+\$ 63,000	+\$ 2,000	\$ 4,685,000
Standardization and Quality Assurance Activities:				
Appropriations.....	6,777,000	+ 102,000	- 6,879,000	0
New User Fees.....	- -	- -	+ 6,882,000	<u>6,882,000</u>
Total Available.....	<u>11,397,000</u>	<u>+ 165,000</u>	<u>+ 5,000</u>	<u>11,567,000</u>

PROJECT STATEMENT
(On basis of appropriation and user fees)

<u>Project</u>	<u>1992 Actual</u>	<u>1993 Estimated</u>	<u>Increase</u>	<u>1994 Estimated</u>
	<u>Amount</u>	<u>Amount</u>	<u>or</u>	<u>Amount</u>
	<u>:Staff:</u>	<u>:Staff:</u>	<u>Decrease</u>	<u>:Staff:</u>
	<u>:Years:</u>	<u>:Years:</u>		<u>:Years:</u>
Compliance	:	:	(1):	:
Activities:....	\$ 3,558,934: 67	\$ 4,620,000: 78	+\$ 65,000:	\$ 4,685,000: 78
Standardization	:	:	:	:
Activities:	:	:	(2):	:
Appropriations..	7,685,494: 86	6,777,000: 90	-6,777,000:	:
New User Fees..	:	:	+6,882,000:	6,882,000: 90
Unobligated	:	:	:	:
balance.....	152,572: - -	- -	- -	- -
Total, Available:	:	:	:	:
or Estimate....	11,397,000: 153	11,397,000: 168	+ 170,000:	11,567,000: 168
User Fees.....	- -	- -	-6,882,000:-	6,882,000: -90
Total,	:	:	:	:
Appropriation..	11,397,000: 153	11,397,000: 168	-6,712,000:	4,685,000: 78

EXPLANATION OF PROGRAM

The appropriation "Salaries and Expenses" of the Federal Grain Inspection Service funds the standardization and compliance activities. The activities carried out are as follows:

1. Compliance Activities

The compliance activities ensure the accurate and uniform application of the U.S. Grain Standards Act (USGSA) and the applicable provisions of the Agricultural Marketing Act of 1946 (AMA). Field activities are reviewed to ensure that all procedures are implemented in a manner consistent with agency policy. Compliance activities include the delegation and designation of official agencies, the investigation of violations of the USGSA and AMA including referral of criminal violations to the Office of Inspector General, licensing of official agency personnel, registering persons/firms engaged in foreign commerce, and maintaining an international monitoring program which interacts with foreign governments and trade teams to exchange information and respond to complaints concerning quality and quantity of grain shipments.

Compliance Activities
Projected Level of Activity

	<u>1992</u>	<u>1993</u>	<u>1994</u>
Official Agency Actions:			
Agency delegations and designations			
in effect at end of fiscal year	72	72	72
Designations renewed	26	26	26
Designations cancelled	0	1	1
State delegations at export port			
locations in effect at end of fiscal year ..	8	8	8
Registration of Firms Exporting Grain:			
Registration certificates issued	89	95	95
On-site investigations	4	15	15

2. Standardization Activities

FGIS standardization activities aid in the orderly marketing of grains, oilseeds, rice, and related commodities through the development, promulgation, and application of new and revised standards. Activities include the establishment, review, and revision of the standards to reflect the latest inspection techniques and marketing needs; development and evaluation of new instruments and methods to increase accuracy; and operation of a nationwide quality control program to assure the integrity of the inspection certificate.

Standardization Activities
Projected Level of Activity

	<u>1992</u>	<u>1993</u>	<u>1994</u>
U.S. Standards in effect at end of year	19	19	19
New and revised standards issued during fiscal			
year	2	8	9
Standards reviews in progress	9	7	8
Standards reviews completed	2	8	9
Inspection techniques developed	11	11	11
Equipment evaluated	1	0	5
Codex standards developed	5	13	13

JUSTIFICATION OF INCREASES AND DECREASES

- (1) An increase of \$65,000 in compliance activities (\$4,620,000 available in 1993) consisting of:

- (a) An increase of \$63,000 which reflects the annualization of the fiscal year 1993 pay raise.
- (b) An increase of \$44,000 which reflects a 2.7 percent increase in non-salary costs.
- (c) A decrease of \$39,000 which reflects a 3 percent reduction in administrative expenses from the amount made available for fiscal year 1993 adjusted for inflation.

Need for Change. To promote the efficient use of resources for administrative purposes, in keeping with the President's Executive order, total USDA baseline outlays for these activities will be reduced by 3 percent in FY 1994, 6 percent in FY 1995, 9 percent in FY 1996 and 14 percent in FY 1997.

Nature of Change. In order to achieve this savings, FGIS compliance activities will continue to carefully monitor all costs associated with other services and will restrict equipment purchases.

- (d) A decrease of \$3,000 for FTS 2000 funding.

This decrease reflects lower long distance telecommunication prices due to price redeterminations in the FTS 2000 contracts.

- (2) An increase of \$105,000 in standardization activities (\$6,777,000 available in 1993) consisting of:

- (a) An increase of \$102,000 which reflects the annualization of the fiscal year 1993 pay raise.
- (b) An increase of \$65,000 which reflects a 2.7 percent increase in non-salary costs.
- (c) A decrease of \$57,000 which reflects a 3 percent reduction in administrative expenses from the amount made available for fiscal year 1993 adjusted for inflation.

Need for Change. To promote the efficient use of resources for administrative purposes, in keeping with the President's Executive order, total USDA baseline outlays for these activities will be reduced by 3 percent in FY 1994, 6 percent in FY 1995, 9 percent in FY 1996 and 14 percent in FY 1997.

Nature of Change. In order to achieve this savings, FGIS standardization activities will continue to carefully monitor all costs associated with other services and will restrict equipment purchases.

- (d) A decrease of \$5,000 for FTS 2000 funding.

This decrease reflects lower long distance telecommunication prices due to price redeterminations in the FTS 2000 contracts.

- (e) No net change for standardization (a decrease of \$6,882,000 in appropriated funds offset by an increase of \$6,882,000 in user fees).

Need for Change. The expense for the standardization program, consisting primarily of grain inspection methods development and developing and disseminating new and/or revised standards, should be the responsibility of the beneficiaries of these services, primarily the grain industry.

Nature Of Change. Standardization activities initiated by the Federal Grain Inspection Service support the orderly marketing of grains, oilseeds, rice, and related commodities by conducting grain inspection methods development and developing and disseminating, new and/or revised standards. We propose initiating user fees for these activities and thus recouping this expense from the beneficiaries of these services. These costs will be added to the agency's existing fee structures.

Compliance activities provide oversight to FGIS programs and will continue to be financed through appropriated funds.

Federal Grain Inspection Service
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS AND STAFF-YEARS
1992 and Estimated 1993 and 1994
SALARIES AND EXPENSES

	<u>FY 1992</u>		<u>FY 1993</u>		<u>FY 1994</u>	
	<u>Amount</u>	<u>Staff-Years</u>	<u>Amount</u>	<u>Staff-Years</u>	<u>Amount</u>	<u>Staff-Years</u>
Alabama	\$ 51	0	\$ 0	0	\$ 0	0
Arkansas	82,290	2	83,000	2	85,000	2
California	66,676	1	68,000	1	69,000	1
District of Columbia .	3,326,151	36	3,372,000	41	3,422,000	41
Georgia	33,333	1	34,000	1	34,000	1
Idaho	48,263	1	49,000	1	50,000	1
Illinois	224,609	4	323,000	6	379,000	7
Indiana	147,887	3	49,000	1	0	0
Iowa	188,872	4	191,000	4	194,000	4
Kansas	260,830	5	264,000	5	268,000	5
Louisiana	333,561	5	338,000	5	343,000	5
Maryland	95,283	2	97,000	2	98,000	2
Michigan	30,631	1	0	0	0	0
Minnesota	357,230	7	362,000	8	367,000	8
Missouri	5,141,892	65	5,212,000	73	5,289,000	73
Nebraska	166,040	3	168,000	3	171,000	3
North Dakota	125,150	3	127,000	3	129,000	3
Ohio	64,751	1	102,000	3	102,000	3
Oregon	108,836	3	110,000	3	112,000	3
Texas	351,083	5	356,000	5	361,000	5
Washington	91,009	1	92,000	1	94,000	1
Subtotal, Available or Estimate	11,244,428	153	11,397,000	168	11,567,000	168
Unobligated Balance ..	152,572	--	--	--	--	--
Total, Available or Estimate	11,397,000	153	11,397,000	168	11,567,000	168

FEDERAL GRAIN INSPECTION SERVICE

(New language is underscored; deleted matter is enclosed in brackets.)

Limitation on Inspection and Weighing Services Expenses

Not to exceed \$42,784,000 (from fees collected) shall be obligated during the current fiscal year for Inspection and Weighing Services: Provided, That if grain export activities require additional supervision and oversight, or other uncontrollable factors occur, this limitation may be exceeded by up to 10 per centum with notification to the Appropriations Committees.

FEDERAL GRAIN INSPECTION SERVICEINSPECTION AND WEIGHING SERVICES

Obligations, 1993	\$42,784,000
Budget Estimate, 1994	42,784,000
Change in Obligations	<u>0</u>

LIMITATION ON INSPECTION AND WEIGHING EXPENSES

Appropriation Act, 1993.....	\$42,784,000
Increase in Limitation	0
Budget Estimates, 1994	<u>42,784,000</u>

PROJECT STATEMENT

Project	: 1992 Actual	: Staff-	: 1993 Estimated	: Staff-	: Increase	: 1994 Estimated	: Staff
	: Amount	: Years	: Amount	: Years	: or	: Amount	: Years
					: Decrease		
Insp. & Weigh.	:	:	:	:	:	:	:
Activities....	\$31,536,637	527	\$42,784,000	582	- -	\$42,784,000	582
Unobligated	:	:	:	:	:	:	:
balance avail.	:	:	:	:	:	:	:
start of period:-	9,559,768	- -	- 7,192,085	- -	- -	- 7,192,085	- -
Unobligated	:	:	:	:	:	:	:
balance avail.	:	:	:	:	:	:	:
end of period..	7,192,085	- -	7,192,085	- -	- -	7,192,085	- -
Collections	29,168,954	527	42,784,000	582	- -	42,784,000	582

EXPLANATION OF PROGRAM

The Federal Grain Inspection Service (FGIS) provides an official grain inspection and weighing system under the U.S. Grain Standards Act (USGSA), as amended, and official inspection of rice and grain related products under the Agricultural Marketing Act of 1946 (AMA), as amended. The USGSA was reauthorized in 1988 permitting FGIS to continue to collect user fees to fund the costs associated with the operation, supervision, and administration of Federal grain inspection and weighing activities.

Fees collected under the USGSA and the AMA pay the expenses of the following programs:

1. Inspection Activities

	<u>Projected Level of Activity</u>		
	<u>FY 1992</u>	<u>FY 1993</u>	<u>FY 1994</u>
Quantity of Grain Officially Inspected (million metric tons)			
For Export by Federal Personnel.....	85.7	86.7	85.6
by Delegated State Personnel..	17.8	17.7	17.5
Domestically.....	<u>143.9</u>	<u>160.9</u>	<u>160.9</u>
Total.....	247.4	265.3	264.0
Number of Inspections and Reinspections			
By Federal Personnel	146,366	160,000	160,000
By Delegated State/Official Agency Licensees	2,217,960	2,340,000	2,340,000
<u>Number of Grain Appeals</u>			
By Field Offices	4,943	4,900	4,900
By the Board of Appeals and Review	569	569	569
Quantity of Rice Inspected (million metric tons)	3.9	3.9	3.9
Quantity of Rice Exports (million metric tons)	2.3	2.3	2.3

2. Weighing Activities

	<u>Projected Level of Activity</u>		
	<u>FY 1992</u>	<u>FY 1993</u>	<u>FY 1994</u>
Export Grain Weighed (million metric tons)			
By Federal Personnel.....	82.9	84.0	84.0
By Delegated State Personnel.....	17.8	17.7	17.5

Federal Grain Inspection Service
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS AND STAFF-YEARS
1992 and Estimated 1993 and 1994
INSPECTION & WEIGHING

	FY 1992		FY 1993		FY 1994	
	Amount	Staff-Years	Amount	Staff-Years	Amount	Staff-Years
Alabama	\$ 1,709	0	\$ 0	0	\$ 0	0
Arkansas	1,491,130	35	2,023,000	39	2,023,000	39
California	60,328	1	82,000	1	82,000	1
District of Columbia .	6,321,019	36	8,576,000	42	8,576,000	42
Georgia	148,575	4	202,000	4	202,000	4
Idaho	206,003	4	279,000	4	279,000	4
Illinois	751,630	14	1,199,000	18	1,281,000	19
Indiana	199,696	4	89,000	1	0	0
Iowa	283,684	4	385,000	4	385,000	4
Kansas	387,792	5	526,000	6	526,000	6
Louisiana	10,016,212	196	13,590,000	217	13,590,000	217
Maryland	2,213,431	42	3,003,000	47	3,003,000	47
Michigan	219,518	4	0	0	0	0
Minnesota	259,404	4	352,000	4	352,000	4
Missouri	546,955	10	742,000	11	742,000	11
Nebraska	365,873	5	496,000	6	496,000	6
North Dakota	239,868	4	325,000	4	325,000	4
Ohio	568,995	13	1,072,000	18	1,079,000	18
Oregon	2,659,866	57	3,609,000	63	3,609,000	63
Texas	4,258,484	80	5,778,000	88	5,778,000	88
Washington	88,542	2	120,000	2	120,000	2
Total States	31,288,714	524	42,448,000	579	42,448,000	579
Canada	247,923	3	336,000	3	336,000	3
Total, Available or Estimate	31,536,637	527	42,784,000	582	42,784,000	582

AGRICULTURAL COOPERATIVE SERVICE

Purpose Statement

The Agricultural Cooperative Service (ACS) is assigned functions under both the Cooperative Marketing Act of 1926 and under the Agricultural Marketing Act of 1946. Under the Cooperative Marketing Act, ACS is authorized to: (1) acquire, analyze, and disseminate economic, statistical, and historical information regarding the progress, organization, and business methods of cooperative associations in the United States and foreign countries; (2) conduct studies of economic, legal, financial, social, and other phases of cooperation, including analyses of cooperative associations; (3) make surveys and analyses of the accounts and business practices of representative cooperative associations; (4) confer and advise with committees or groups of producers who want to form a cooperative association and to make an economic analysis of the facts relevant to setting up such an association; (5) promote the knowledge of cooperative principles and practices and cooperate in promoting such knowledge to others; and (6) make special studies to acquire and disseminate such information.

Under the Agricultural Marketing Act of 1946, ACS is authorized to carry out responsibilities which relate to the marketing aspects of cooperatives, including economic research and analysis and the application of economic research findings. In addition, ACS is authorized to work with institutions and international organizations on subjects relating to cooperatives.

ACS serves as the focal point of national activity involving agricultural cooperatives. The purpose of ACS is to help farmers help themselves by providing the assistance necessary to support and improve existing cooperatives and to help farmers organize new cooperatives.

The studies conducted by ACS, alone or in conjunction with other Federal or State institutions, are intended to provide farmers with information on economic, financial, organizational, legal, and social aspects of cooperative activity. In today's rapidly changing economic environment, ACS provides technical advice to assist farmer cooperatives in the development and operation of viable profitable organizations serving the nation's family farmers.

ACS is headquartered in Washington, DC, with 3 field offices located in Hilo, Hawaii; Columbus, Ohio; and Raleigh, North Carolina. As of September 30, 1992, ACS employed 71 permanent full-time and 1 part-time personnel, 69 of whom were located in headquarters and 3 in the field offices.

AGRICULTURAL COOPERATIVE SERVICE

Available Funds and Staff-Years1992 Actual and Estimated, 1993 and 1994

Item	1992 Actual		1993 Estimated		1994 Estimated	
	Amount	Staff-Years	Amount	Staff-Years	Amount	Staff-Years
Salaries and Expenses....	\$5,640,000	70	\$5,640,000	69	\$5,283,000	63
New User Fees	--	--	--	--	450,000	6
Total, Agricultural Cooperative Service.....	\$5,640,000	70	\$5,640,000	69	\$5,733,000	69

AGRICULTURAL COOPERATIVE SERVICE

Permanent Positions by Grade and Staff-Year Summary1992 and Estimated 1993 and 1994

Grade	1992			1993			1994		
	Headquarter	Field	Total	Headquarter	Field	Total	Headquarter	Field	Total
ES-5	1	--	1	1	--	1	1	--	1
GS/GM-15	5	--	5	5	--	5	5	--	5
GS/GM-14	14	--	14	13	--	13	13	--	13
GS/GM-13	14	1	15	13	1	14	13	1	14
GS-12	10	2	12	10	2	12	10	2	12
GS-11	4	--	4	5	--	5	5	--	5
GS-09	3	--	3	4	--	4	4	--	4
GS-07	9	--	9	9	--	9	9	--	9
GS-06	2	--	2	3	--	3	3	--	3
GS-05	1	--	1	1	--	1	1	--	1
Other Graded Positions.....	3	--	3	1	--	1	1	--	1
Ungraded Positions	2	--	2	1	--	1	1	--	1
Total Permanent Positions	68	3	71	66	3	69	66	3	69
Unfilled Positions End-of-Year.....	--	--	--	--	--	--	--	--	--
Total, Permanent Employment, End-of-Year.....	68	3	71	66	3	69	66	3	69
Staff-Years:									
Ceiling.....	67	3	70	66	3	69	66	3	69

AGRICULTURAL COOPERATIVE SERVICE

CLASSIFICATION BY OBJECTS1992 and Estimated 1993 and 1994

	<u>1992</u>	<u>1993</u>	<u>1994</u>
Personnel Compensation:			
Headquarters.....	\$3,170,511	\$3,401,000	\$3,477,000
Field.....	<u>139,642</u>	<u>143,000</u>	<u>147,000</u>
11 Total personnel compensation.....	3,310,153	3,544,000	3,624,000
12 Personnel benefits.....	631,144	652,000	657,000
13 Benefits for former personnel.....	<u>549</u>	<u>5,000</u>	<u>3,000</u>
Total personnel compensation and benefits.....	<u>3,941,846</u>	<u>4,201,000</u>	<u>4,284,000</u>
Other Objects:			
21 Travel.....	230,144	200,000	199,000
22 Transportation of things	25,129	5,000	5,000
23.2 Rental payments to others.....	4,101	4,000	4,000
23.3 Communications, utilities, and miscellaneous charges.....	168,044	195,000	194,000
24 Printing and reproduction	97,579	125,000	100,000
25.2 Other services.....	798,525	705,000	739,000
26 Supplies and material...	89,191	80,000	80,000
31 Equipment.....	<u>166,069</u>	<u>125,000</u>	<u>128,000</u>
Total other objects.....	<u>1,578,782</u>	<u>1,439,000</u>	<u>1,449,000</u>
Total direct obligations.....	<u>5,520,628</u>	<u>5,640,000</u>	<u>5,733,000</u>

Position Data:

Average Salary, ES positions.....	\$108,300	\$110,919	\$111,800
Average Salary, GM/GS positions.....	\$53,915	\$55,802	\$57,755
Average Grade, GM/GS positions.....	11.61	11.61	11.61

AGRICULTURAL COOPERATIVE SERVICE

The estimates include appropriation language of this item as follows (new language underscored; deleted matter enclosed in brackets):

Salaries and Expenses:

- 1 For necessary expenses to carry out the Cooperative Marketing Act of July 2, 1926 (7 U.S.C. 451-457), and for activities relating to the marketing aspects of cooperatives, including economic research and analysis and the application of economic research findings, as authorized by the Agricultural Marketing Act of 1946 (7 U.S.C. 1621-1627), and for activities with institutions or organizations throughout the world concerning the development and operation of agricultural cooperatives (7 U.S.C. 3291), [~~\$5,640,000~~] \$5,283,000: Provided, That the Secretary is authorized to charge fees to cover the cost of technical assistance. Notwithstanding 31 U.S.C. 3302, revenues received from this activity shall be credited to this account, to be available for carrying out these purposes without further appropriation: Provided further, That this appropriation shall be available for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed \$15,000 shall be available for employment under 5 U.S.C. 3109: Provided further,
- 2 That, hereafter, [\$99,000 of these] funds made available to the Agricultural Cooperative Service shall be available for a field office in Hawaii. (7 U.S.C. 451-457, 1621-1627, 2225, 3291; Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriation Acts, 1993.)

The first change in language is to propose user fees for technical assistance to cover the costs of this activity.

The second change in the language is for the deletion of the dollar amount in the provision which sets aside funding for maintaining a field office in Hawaii. The Hilo, Hawaii office will remain a fully functional office but the level of funding should depend on the overall needs of the office. The Agency remains committed to fully staff and maintain the Hilo office in FY 1994.

SALARIES AND EXPENSES

Appropriations Act, 1993.....	\$5,640,000
Budget Estimate, 1994:	
Appropriation.....	\$5,283,000
New User Fees.....	450,000
Total, Budget Estimate, 1994.....	<u>5,733,000</u>
Increase in Estimate.....	<u>+93,000</u>

SUMMARY OF INCREASES AND DECREASES
(On basis of appropriations and user fees)

<u>Item of Change</u>	<u>1993 Estimated</u>	<u>Pay Costs</u>	<u>Other Changes</u>	<u>1994 Estimated</u>
Research on agricultural cooperatives.....	\$3,518,000	+\$58,000	--	\$3,576,000
Technical assistance to agricultural cooperatives:				
Appropriation.....	2,122,000	+36,000	-\$451,000	1,707,000
New User Fees.....	<u>--</u>	<u>--</u>	<u>+ 450,000</u>	<u>450,000</u>
Total Available.....	<u>5,640,000</u>	<u>+94,000</u>	<u>-1,000</u>	<u>5,733,000</u>

AGRICULTURAL COOPERATIVE SERVICE

PROJECT STATEMENT
(On basis of appropriations and user fees)

PROJECT	1992 Actual		1993 Estimated		Increase or Decrease	1994 Estimated	
	Amount	Staff- Years	Amount	Staff- Years		Amount	Staff- Years
1. Research on Agricultural Cooperatives.....	\$3,443,559	37	\$3,518,000	36	(1) + \$58,000	\$3,576,000	36
2. Technical Assistance to Agricultural Cooperatives: Appropriated....	2,077,099	33	2,122,000	33	(2) -415,000	1,707,000	27
User Fees.....	-	-	-	-	+450,000	450,000	6
Unobligated balance.....	119,342	-	-	-	-	-	-
Total Available.....	5,640,000	70	5,640,000	69	+93,000	5,733,000	69
New User Fees....	-	-	-	-	-450,000	-450,000	-6
Total Appropriation.	\$5,640,000	70	\$5,640,000	69	-\$357,000	\$5,283,000	63

EXPLANATION OF PROGRAM

The Agricultural Cooperative Service (ACS) serves as the national focalpoint and storehouse for information about agricultural cooperatives. The major missions of the agency include research on cooperative problems and issues, providing technical assistance and advice to existing and newly emerging cooperative associations, collection and dissemination of cooperative statistics, and preparation and distribution of educational materials on cooperatives.

The Agency's research program includes studies of economic, financial, organizational, managerial, legal, social and policy related issues that affect cooperatives. Studies may be specific to a single commodity or group of commodities or may focus on specific functions which cut across commodity and service lines for cooperatives that market farm products, purchase production supplies, or perform related services.

Technical assistance is provided in response to requests, usually from cooperative boards of directors or organizational steering committees who may represent small groups or thousands of farmers. Types of technical assistance provided by ACS include feasibility analysis, merger and other organizational studies, strategic assessment and planning, and review of operations and performance of the range of cooperative activities. Feasibility analysis and organizational and educational assistance are provided for newly emerging cooperatives. ACS provides technical assistance for farmers and their cooperatives in most commodity and functional areas of cooperative operations.

JUSTIFICATION OF INCREASES AND DECREASES

- (1) A net increase of \$58,000 for research on agricultural cooperatives (\$3,518,000 available in FY 1993), consisting of:

- (a) An increase of \$24,000 which reflects a 2.7 percent increase in non-salary costs.
- (b) An increase of \$58,000 which reflects the annualization of the fiscal year 1993 pay raise.
- (c) A decrease of \$24,000 for administrative efficiency.

Need for Change. To promote the efficient use of resources for administrative purposes, in keeping with the President's Executive Order, total USDA baseline outlays for these activities will be reduced by 3 percent in FY 1994, 6 percent in FY 1995, 9 percent in FY 1996 and 14 percent in FY 1997.

Nature of Change. To achieve the savings in this line-item, the Agency will reduce travel, utilities, printing and reproduction, cooperative agreements, and supplies.

- (2) A net increase of \$35,000 for technical assistance to agricultural cooperatives (\$2,122,000 available in FY 1993), consisting of:

- (a) An increase of \$15,000 which reflects a 2.7 percent increase in non-salary costs.
- (b) An increase of \$36,000 which reflects the annualization of the fiscal year 1993 pay raise.
- (c) A decrease of \$16,000 for administrative efficiency.

Need for Change. To promote the efficient use of resources for administrative purposes, in keeping with the President's Executive Order, total USDA baseline outlays for these activities will be reduced by 3 percent in FY 1994, 6 percent in FY 1995, 9 percent in FY 1996 and 14 percent in FY 1997.

Nature of Change. To achieve the savings in this line-item, the Agency will reduce travel, utilities, printing and reproduction, cooperative agreements, and supplies.

- (d) A decrease of \$450,000 in appropriations offset by an increase of \$450,000 in user fees.

Need for Change. ACS provides technical assistance to cooperatives in most commodity and functional areas of cooperative operations. The agricultural cooperatives are the direct beneficiaries of this service. The majority of the beneficiaries are small or newly emerging cooperatives and may not have the resources to pay for services; however, some of the larger beneficiaries have the financial standing to reimburse the Agency for the services provided.

Nature of Change. This proposal would shift the funding source of technical assistance provided to cooperatives from appropriation to user fees.

GEOGRAPHIC BREAKDOWN OF OBLIGATIONS AND STAFF-YEARS
1992 ACTUAL AND ESTIMATED 1993 AND 1994

	<u>1992</u>		<u>1993</u>		<u>1994</u>	
	<u>Amount</u>	<u>Staff- Years</u>	<u>Amount</u>	<u>Staff- Years</u>	<u>Amount</u>	<u>Staff- Years</u>
Washington, DC...	\$5,310,021	67	\$5,420,000	66	\$5,506,000	66
Hawaii.....	83,507	1	87,000	1	90,000	1
North Carolina...	51,079	1	53,000	1	55,000	1
Ohio.....	76,051	1	80,000	1	82,000	1
Subtotal, available or estimate.....	5,520,658	70	5,640,000	69	5,733,000	69
Unobligated balance	119,342	--	--	--	--	--
Total, Available or estimate.....	<u>5,640,000</u>	<u>70</u>	<u>5,640,000</u>	<u>69</u>	<u>5,733,000</u>	<u>69</u>

PACKERS AND STOCKYARDS ADMINISTRATION

Purpose Statement

The Packers and Stockyards Administration was reestablished by Secretary's Memorandum No. 1000-1, of June 17, 1981. The Agency administers the Packers and Stockyards Act of 1921, as amended, and carries out the Secretary's responsibilities under Section 1324 of the Food Security Act of 1985 covering "central filing systems" established by States for pre-notification of security interests against farm products. The Agency also has responsibility with respect to persons and firms subject to the Packers and Stockyards Act for the Truth-in-Lending Act, the Fair Credit Reporting Act and the Freedom of Information Act.

The principal purpose of the Packers and Stockyards Administration programs is to assure the integrity of the livestock, meat, and poultry markets and the market place. This includes fostering fair and open competition and guarding against deceptive and fraudulent practices which affect the movement and price of meat animals and the products therefrom. The work of the Agency is also aimed at protecting consumers and members of the livestock, meat and poultry industries against unfair business practices which can unduly affect meat and poultry distribution and prices.

The Food Security Act of 1985 permits the States to establish "central filing systems" for the purpose of pre-notifying buyers, commission merchants, and selling agents of security interests against "farm products". It is the responsibility of the Packers and Stockyards Administration to issue regulations and to certify those systems which meet the criteria set forth in the statute.

Headquarters of the Agency is located in Washington, D.C., with 12 regional offices located in Atlanta, Georgia; Bedford, Virginia; Denver, Colorado; Fort Worth, Texas; Indianapolis, Indiana; Kansas City, Kansas; Lancaster, Pennsylvania; Memphis, Tennessee; Omaha, Nebraska; Portland, Oregon; Sacramento, California; and South St. Paul, Minnesota. As of September 30, 1992, there were 182 full-time permanent and 2 other employees. Of the total, 50 full-time employees worked in the Headquarters office; 132 full-time employees and 2 other employees worked in the regional offices.

PACKERS AND STOCKYARDS ADMINISTRATION

Available Funds and Staff-Years1992 Actual and Estimated, 1993 and 1994

Item	1992		1993		1994	
	Actual		Estimated		Estimated	
	Amount	Staff-Years	Amount	Staff-Years	Amount	Staff-Years
Packers and Stockyards Administration	\$12,009,000	186	\$11,996,000	191	\$12,203,000	191

PACKERS AND STOCKYARDS ADMINISTRATION

Permanent Positions by Grade and Staff-Year Summary1992 Actual and Estimated 1993 and 1994

Grade	1992			1993			1994		
	Head- quarters	Field	Total	Head- quarters	Field	Total	Head- quarters	Field	Total
ES-6	1	--	1	1	--	1	1	--	1
ES-4	1	--	1	1	--	1	1	--	1
GS/GM-15	4	--	4	4	--	4	4	--	4
GS/GM-14	9	--	9	9	--	9	9	--	9
GS/GM-13	16	12	28	17	12	29	17	12	29
GS-12	4	43	47	4	42	46	4	43	47
GS-11	1	44	45	2	37	39	2	36	38
GS-10	1	--	1	1	--	1	1	--	1
GS-9	2	10	12	1	4	5	1	4	5
GS-8	--	--	--	--	--	--	--	--	--
GS-7	3	15	18	4	22	26	4	21	25
GS-6	7	10	17	3	6	9	3	6	9
GS-5	1	4	5	3	8	11	3	8	11
GS-4	0	3	3	--	8	8	--	9	9
GS-3	0	0	0	--	2	2	--	2	2
GS-2	--	--	--	--	--	--	--	--	--
Other Graded Positions....	--	--	--	--	--	--	--	--	--
Ungraded Positions....	--	--	--	--	--	--	--	--	--
Total Permanent Positions....	50	141	191	50	141	191	50	141	191
Unfilled Positions:									
end-of-year...	0	-8	-8	--	--	--	--	--	--
Total, Permanent Employment,									
end-of-year...	50	133	183	--	--	--	--	--	--
Staff Years:									
Ceiling.....	49	137	186	50	141	191	50	141	191

PACKERS AND STOCKYARDS ADMINISTRATION

CLASSIFICATION BY OBJECTS1992 and Estimated 1993 and 1994

	<u>1992</u>	<u>1993</u>	<u>1994</u>
Personnel Compensation:			
Headquarters.....	\$2,459,000	\$2,484,240	\$2,540,010
Field.....	<u>5,018,000</u>	<u>5,043,760</u>	<u>5,156,990</u>
11 Total personnel compensation.....	7,477,000	7,528,000	7,697,000
12 Personnel benefits..	1,469,000	1,493,000	1,527,000
Total personnel comp. and benefits.....	<u>8,946,000</u>	<u>9,021,000</u>	<u>9,224,000</u>
Other Objects:			
21 Travel.....	635,000	620,000	652,000
22 Transportation of things.....	11,000	26,000	12,000
23.2 Rental payments to others.....	102,000	194,000	105,000
23.3 Communications, utilities, and misc. charges.....	335,000	442,000	344,000
24 Printing and reproduction.....	22,000	34,000	23,000
25.1 Consulting services.	5,000	5,000	5,000
25.2 Other services.....	1,132,000	901,000	1,038,000
26 Supplies and materials.....	197,000	79,000	202,000
31 Equipment.....	582,000	674,000	598,000
42 Insurance claims & Idemnity.....	1,000	--	--
Total other objects.....	<u>3,022,000</u>	<u>2,975,000</u>	<u>2,979,000</u>
Total direct obligations....	<u>11,968,000</u>	<u>11,996,000</u>	<u>12,203,000</u>

Position Data:

Average Salary, ES positions.....	\$108,050	\$111,500	\$115,200
Average Salary, GM/GS positions.....	\$35,440	\$36,354	\$37,800
Average Grade, GM/GS positions.....	10.37	10.40	10.47

PACKERS AND STOCKYARDS ADMINISTRATION

The estimates include appropriation language for this item as follows (new language underscored; deleted matter enclosed in brackets):

Packers and Stockyards Administration:

For necessary expenses for administration of the Packers and Stockyards Act, as authorized by law, and for certifying procedures used to protect purchasers of farm products, including field employment pursuant to section 706 (a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed \$5,000 for employment under 5 U.S.C. 3109, [\$11,996,000] \$12,203,000.

SALARIES AND EXPENSES

Appropriations Act, 1993	\$11,996,000
Budget Estimate, 1994	<u>12,203,000</u>
Increase in Appropriation	<u>+207,000</u>

SUMMARY OF INCREASES AND DECREASES
(On basis of appropriation)

<u>Item of Change</u>	<u>1993</u> <u>Estimated</u>	<u>Pay Costs</u>	<u>Other</u> <u>Changes</u>	<u>1994</u> <u>Estimated</u>
Administration of the Packers and Stockyards Act.....	<u>\$11,996,000</u>	<u>+\$203,000</u>	<u>+\$4,000</u>	<u>\$12,203,000</u>

PROJECT STATEMENT
(On basis of appropriation)

	: 1992 Actual :		: 1993 Estimated :			: 1994 Estimated :	
		: Staff- :		: Staff- :	: Increase :		: Staff- :
	: Amount :	: Years :	: Amount :	: Years :	: Decrease :	: Amount :	: Years :
Administration	:	:	:	:	:	:	:
of the Packers	:	:	:	:	:	:	:
and Stockyards:	:	:	:	:	:	:	:
Act.....	\$11,968,059:	186 :	\$11,996,000:	191 :	+\$207,000 :	\$12,203,000:	191 :
	:	:	:	:	:	:	:
Unobligated	:	:	:	:	:	:	:
balance.....	40,941:	-- :	-- :	-- :	-- :	-- :	-- :
	:	:	:	:	:	:	:
Total	:	:	:	:	:	:	:
Appropriation:	\$12,009,000:	186 :	\$11,996,000:	191 :	+\$207,000 :	\$12,203,000:	191 :

(1) See Justification of Increases and Decreases.

EXPLANATION OF PROGRAM

The Packers and Stockyards Administration (P&SA) administers the Packers and Stockyards Act (P&S Act) (7 U.S.C. 181-229). The Agency also carries out the Secretary's responsibilities under Section 1324 of the Food Security Act of 1985 covering "central filing systems" established by States for prenotification of security interests against farm products. In addition, the Agency administers the Truth-in-Lending Act (15 U.S.C. 1601 et seq); the Fair Credit Reporting Act (15 U.S.C. 1681 et seq); and the Freedom of Information Act (5 U.S.C. 552) as these statutes apply to persons and firms subject to the P&S Act. Agency programs are designed to assure the integrity of the livestock, meat and poultry markets and the marketplace. Other functions of the Agency include assuring prompt payment to producers for livestock and poultry, and assuring nondiscriminatory marketing charges and accurate weights. The Agency's programs also include protecting consumers from unfair business practices in the marketing of meat.

JUSTIFICATION OF INCREASES AND DECREASES

(1) A net increase of \$207,000 consisting of:(a) An increase of \$80,000 which reflects a 2.7 percent increase in non-salary costs.

Need for Change. These funds are necessary to offset increased operating costs. Continued absorption of these increased operating costs will severely affect the quality and quantity of our programs.

Nature of Change. This increase will be used to maintain a current level of services associated with inflation which will affect the critical parts of the program.

(b) An increase of \$203,000 which reflects the annualization of the fiscal year 1993 pay raise.(c) A decrease of \$71,000 which reflects a 3 percent reduction in administrative expenses from the amount made available for fiscal year 1993 adjusted for inflation.

Need for Change. To promote the efficient use of resources for administrative purposes, in keeping with the President's Executive Order, total USDA baseline outlays for these activities will be reduced by 3 percent in FY 1994, 6 percent in FY 1995, 9 percent in FY 1996 and 14 percent in FY 1997.

Nature of Change. In order to achieve this savings, P&SA will carefully monitor travel, training, supply purchases, printing and reproduction costs and utility usage.

(d) A decrease of \$5,000 for FTS 2000 funding. This decrease reflects lower long distance telecommunications prices due to price redeterminations in the FTS 2000 contracts.

	1992 <u>Actual</u>	1993 <u>Estimated</u>	1994 <u>Estimated</u>
Investigations	2,536	2,500	2,500
Market Agencies/Dealers Registered	9,616	9,600	9,600
Stockyards Posted	1,581	1,575	1,560
Slaughtering and Processing Packers Subject to the Act (estimated)	6,500	6,500	6,500
Distributors, Brokers, and Dealers Subject to the Act (estimated)	6,900	6,900	6,900
Poultry Operations Subject to the Act	275	275	275

The wholesale value of livestock, meat, and poultry products produced by firms subject to the Act was \$96 billion in fiscal year 1992.

The principal activities carried out in administering the Act are:

- Investigating trade practices of packers, market agencies, and dealers to detect fraudulent transactions and to guard against unfair trade practices detrimental to producers and the industry.
- Investigating packer meat merchandising and chain store buying in order to maintain prices established by fair and competitive marketing practices.

- Investigating the financial condition and payment practices of market agencies, dealers, and packers subject to the Act to determine if they are financially sound and capable of meeting their obligations.
- Maintaining the integrity of the statutory trust for cash sellers of livestock and poultry.
- Surveillance of marketing at public markets and geographical area markets to foster and maintain fair and effective competition and avoid conflicts of interest.
- Obtaining adequate surety bonds from auction operators, commission firms, dealers, and packers (purchasing more than \$500,000 of livestock annually) to assure payment for livestock purchased.
- Investigating poultry marketing practices to identify and correct those which are injurious to producers and operators in the industry.

PACKERS AND STOCKYARDS ADMINISTRATION
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS AND STAFF-YEARS
1992 and Estimated 1993 and 1994

	<u>1992</u>		<u>1993</u>		<u>1994</u>	
	<u>Amount</u>	<u>Staff- Years</u>	<u>Amount</u>	<u>Staff- Years</u>	<u>Amount</u>	<u>Staff- Years</u>
California	\$ 523,668	11	\$ 526,692	11	\$ 535,781	11
Colorado	489,870	10	492,699	10	501,201	10
District of Columbia ..	4,984,602	49	5,013,391	50	5,099,898	50
Georgia	589,416	12	592,820	12	603,050	12
Indiana	672,819	14	676,705	14	688,382	14
Kansas	611,724	13	615,257	13	625,874	13
Minnesota	551,058	11	554,240	12	563,804	12
Nebraska	606,551	11	610,054	12	620,581	12
Oregon	565,396	11	568,661	11	578,474	11
Pennsylvania	613,865	12	617,410	13	628,064	13
Tennessee	625,652	12	629,265	12	640,124	12
Texas	567,660	11	570,938	11	580,790	11
Virginia	524,837	9	527,868	10	536,977	10
Subtotal, Available or Estimate	11,927,118	186	11,996,000	191	12,203,000	191
Unobligated balance	40,941	--	--	--	--	--
Total, Available or Estimate	11,968,059	186	11,996,000	191	12,203,000	191

FOOD SAFETY AND INSPECTION SERVICE

Purpose Statement

The Food Safety and Inspection Service was established on June 17, 1981, by Secretary's Memorandum No. 1000-1 issued pursuant to Reorganization Plan No. 2 of 1953 (7 U.S.C. 2201).

The major objective of the Agency is to ensure that the Nation's commercial supply of meat and poultry products is safe, wholesome, and correctly labeled and packaged, as required by the Federal Meat Inspection Act and the Poultry Products Inspection Act.

The Meat and Poultry Inspection Program of the Food Safety and Inspection Service provides in-plant inspection of all domestic establishments preparing meat or poultry products for sale or distribution in commerce; reviews foreign inspection systems and establishments that prepare meat or poultry products for export to the United States; and provides technical and financial assistance to States which maintain meat and poultry inspection programs equal to the Federal inspection program.

During 1992, the Agency maintained central offices in the Washington metropolitan area, five regional offices, 26 area offices, and a nationwide network of inspectors in approximately 6,400 establishments (including official import facilities) in 50 States, Puerto Rico, American Samoa, Guam, and the Virgin Islands. Much of the work is conducted in cooperation with Federal, State and municipal agencies, as well as private industry. As of September 30, 1992, the Agency employment totaled 9,086 permanent full-time employees and 960 other employees. Of these, 722 permanent full-time employees and 89 other employees were located in the central offices, and 475 permanent full-time employees and 13 other employees were in area and regional offices. The balance of 7,889 permanent full-time employees and 858 other employees were in field locations.

FOOD SAFETY AND INSPECTION SERVICE

Available Funds and Staff-Years1992 Actual and Estimated, 1993 and 1994

Item	1992 Actual	Staff- Years	1993 Estimated	Staff- Years	1994 Estimated	Staff- Years
Salaries and Expenses:	\$473,414,000:	9,386:	\$493,655,000:	9,466:	\$413,655,000:	9,621
<u>Obligations under</u>	:	:	:	:	:	:
<u>other USDA</u>	:	:	:	:	:	:
<u>appropriations:</u>	:	:	:	:	:	:
Allocation from:	:	:	:	:	:	:
Hazardous Waste	:	:	:	:	:	:
Management	197,000:	--:	45,000:	--:	240,000:	--
APHIS for blood	:	:	:	:	:	:
samples (MPI) ...	649,008:	--:	1,000,000:	--:	1,000,000:	--
Total, Agriculture	:	:	:	:	:	:
Appropriations	474,260,008:	9,386:	494,700,000:	9,466:	414,895,000:	9,621
<u>Non-Federal Funds:</u>	:	:	:	:	:	:
Reimbursements for	:	:	:	:	:	:
Meat and Poultry	:	:	:	:	:	:
Inspection	57,977,646:	225:	61,748,000:	225:	169,074,000:	225
Trust Funds for	:	:	:	:	:	:
Meat and Poultry	:	:	:	:	:	:
Inspection	1,948,352:	31:	2,000,000:	31:	2,043,000:	31
Total,	:	:	:	:	:	:
Non-Federal Funds .	59,925,998:	256:	63,748,000:	256:	171,117,000:	256
Total,	:	:	:	:	:	:
Food Safety and	:	:	:	:	:	:
Inspection Service :	534,186,006:	9,642:	558,448,000:	9,722:	586,012,000:	9,877

FOOD SAFETY AND INSPECTION SERVICE

Permanent Positions by Grade and Staff-Year Summary

1992 and Estimated 1993 and 1994

Grade	1992			1993			1994		
	Head- quarter:	: Field	: Total	Head- quarter:	: Field	: Total	Head- quarter:	: Field	: Total
ES-6	0	:	0	0	:	0	0	:	0
ES-5	13	:	1	13	:	1	13	:	1
ES-4	5	:	2	5	:	2	5	:	2
ES-3	0	:	0	0	:	0	0	:	0
ES-2	0	:	0	0	:	0	0	:	0
ES-1	0	:	2	0	:	2	0	:	2
	:	:	:	:	:	:	:	:	:
GS/GM-15	40	:	10	40	:	10	40	:	10
GS/GM-14	98	:	49	98	:	49	98	:	49
GS/GM-13	204	:	268	204	:	272	204	:	273
GS-12	94	:	927	94	:	930	94	:	931
GS-11	52	:	474	52	:	477	52	:	478
GS-10	1	:	128	1	:	128	1	:	128
GS-9	43	:	2,415	43	:	2,425	43	:	2,449
GS-8	6	:	1,166	6	:	1,166	6	:	1,171
GS-7	73	:	3,065	73	:	3,095	73	:	3,113
GS-6	48	:	62	48	:	62	48	:	62
GS-5	56	:	316	56	:	316	56	:	316
GS-4	21	:	90	21	:	90	21	:	90
GS-3	2	:	11	2	:	11	2	:	11
GS-2	0	:	1	0	:	1	0	:	1
Ungraded	:	:	:	:	:	:	:	:	:
Positions	3	:	14	3	:	14	3	:	14
Total, Permanent Positions	759	:	9,001	759	:	9,051	759	:	9,101
Unfilled Positions, end-of-year ..	-37	:	-607	-37	:	-497	-37	:	-472
Total Permanent Employment, end-of-year ..	722	:	8,387	722	:	8,547	722	:	8,629
Staff Years: Ceiling	720	:	8,922	720	:	9,002	720	:	9,157

FOOD SAFETY AND INSPECTION SERVICE

CLASSIFICATION BY OBJECTS1992 and Estimated 1993 and 1994

	<u>1992</u>	<u>1993</u>	<u>1994</u>
Personnel Compensation:			
Headquarters	\$29,521,554	\$31,003,000	\$31,539,000
Field	<u>278,851,503</u>	<u>292,838,000</u>	<u>300,838,000</u>
11 Total personnel compensation .	308,373,057	323,841,000	332,377,000
12 Personnel benefits	74,746,504	78,273,000	83,561,000
13 Benefits for former personnel	<u>1,017,114</u>	<u>1,017,000</u>	<u>1,017,000</u>
Total personnel compensation .			
and benefits	384,136,675	403,131,000	416,955,000
Other Objects:			
21 Travel	19,759,931	20,307,000	20,608,000
22 Transportation of things	1,415,157	1,436,000	1,460,000
23 Communications, utilities			
and miscellaneous charges	6,361,118	6,389,000	6,334,000
24 Printing and reproduction	1,238,629	1,239,000	1,235,000
25 Other services	15,287,665	15,628,000	23,960,000
26 Supplies and materials	3,024,715	3,168,000	3,299,000
31 Equipment	3,527,066	3,735,000	4,142,000
41 Grants, subsidies and			
contributions	37,980,606	38,522,000	39,562,000
42 Insurance claims and			
indemnities	92,662	93,000	93,000
43 Interest and dividends	<u>7,588</u>	<u>7,000</u>	<u>7,000</u>
Total other objects	<u>88,695,137</u>	<u>90,524,000</u>	<u>100,700,000</u>
Total direct obligations	<u>472,831,812</u>	<u>493,655,000</u>	<u>517,655,000</u>

Position Data:

Average Salary, ES positions	\$105,400	\$108,773	\$109,897
Average Salary, GM/GS positions .	\$32,474	\$33,931	\$34,882
Average Grade, GM/GS positions ..	8.72	8.72	8.72

FOOD SAFETY AND INSPECTION SERVICE

The estimates include appropriation language for this item as follows (new language underscored; deleted matter enclosed in brackets):

Salaries and Expenses:

For necessary expenses to carry on services authorized by the Federal Meat Inspection Act, as amended, and the Poultry Products Inspection Act, as amended, [~~\$489,867,000~~] \$395,655,000, and in addition, such sums as may be collected from fees for the cost of laboratory accreditation, and such sums as may be collected from fees for the cost of all inspection services performed at times other than during an approved primary shift, as established by regulation shall be credited to this account, to be available for carrying out the purposes of the accreditation and inspection programs without further appropriation: Provided, That this appropriation shall be available for field employment pursuant to section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed \$75,000 shall be available for employment under 5 U.S.C. 3109: Provided further, That this appropriation shall be available pursuant to law (7 U.S.C. 2250) for the alteration and repair of buildings and improvements, but the cost of altering any one building during the fiscal year shall not exceed 10 percent of the current replacement value of the building. [Provided further, That none of the funds in this Act may be used to carry out the Streamlined Inspection System (for cattle) after April 1, 1993.]

This change allows FSIS to charge and retain user fees for laboratory accreditation as authorized under P.L. 102-237 and the full cost of inspection service performed outside of a single scheduled and approved primary shift.

Meat and poultry inspection services for all regularly scheduled and approved shifts are paid with Federal funds. Establishments that operate beyond approved regularly scheduled shifts pay overtime costs for inspection. Establishments with more than one regularly scheduled and approved shift are generally large plants with sizable production operated by corporations or large business interests. Establishments that do not have enough production to warrant an additional complete shift must pay overtime. These establishments tend to be smaller plants owned by families or small businesses. In some sense, larger establishments are operating in permanent overtime status. To put large and small establishments on equal footing, all establishments that operate outside of a single approved primary shift will be required to pay for the costs of the additional inspection. These fees will have a minimal impact on prices.

FOOD SAFETY AND INSPECTION SERVICE

The estimates include appropriation language for this item as follows (new language underscored):

Salaries and Expenses:

In addition to amounts already available under this heading, and subject to the same terms and conditions, \$18,000,000 for expansion and strengthening of the meat and poultry inspection program.

This change provides funding for that part of the President's program for investment in the future, by providing full year funding for 200 additional meat and poultry inspectors, and for long term investment in the development of improved means of ensuring public safety through more scientific approaches to reducing health risks in meat and poultry products. A Pathogen Reduction Program will be incorporated into the future inspection system to reduce the likelihood of harmful microorganisms entering the food supply. The program will be based on HACCP principles, and will cover critical pre-harvest production activities, research on more rapid methods of detecting pathogens, and research on better control procedures in slaughter and processing plants. An aggressive consumer education effort will be an important part of the program, including food service and retail areas.

SALARIES AND EXPENSES

Appropriations Act, 1993	\$489,867,000
Budget Estimate, 1994	<u>499,655,000</u>
Increase in Appropriation	<u>+9,788,000</u>

Adjustments in 1993:

Appropriations Act, 1993	489,867,000	
Transfer to Office of the Secretary ^a ...	<u>-212,000</u>	
Adjusted Base for 1993		\$489,655,000

Budget Estimate, 1994:

Appropriations	\$395,655,000	
New User Fees	104,000,000	
Total, Budget Estimate, 1994		<u>499,655,000</u>
Increase over Adjusted 1993		<u>+10,000,000</u>

^a This transfer was made pursuant to the Secretary's authority provided by P.L. 102-341, dated August 14, 1992.

SUMMARY OF INCREASES AND DECREASES

(On basis of appropriation)

<u>Item of Change</u>	<u>1993 Estimated</u>	<u>Pay Costs</u>	<u>Other Changes</u>	<u>1994 Estimated</u>
Slaughter Inspection ..	\$293,763,000	+\$6,287,000	-\$99,000	\$299,951,000
Processing Inspection ..	121,635,000	+2,328,000	-43,000	123,920,000
Import-Export Inspection	12,087,000	+204,000	-4,000	12,287,000
Laboratory Services	23,648,000	+295,000	-8,000	23,935,000
Grants-to-States	<u>38,522,000</u>	--	<u>+1,040,000</u>	<u>39,562,000</u>
Total Available	489,655,000	+9,114,000	+886,000	499,655,000
New User Fees	--	--	-104,000,000	-104,000,000
Total Appropriation ..	<u>489,655,000</u>	<u>+9,114,000</u>	<u>-103,114,000</u>	<u>395,655,000</u>

PROJECT STATEMENT
(On basis of adjusted appropriation)

	1992 Actual		1993 Estimated		Increase or Decrease	1994 Estimated	
	Amount	Staff: Years	Amount	Staff: Years		Amount	Staff: Years
<u>Meat and Poultry Inspection</u>							
(a) Slaughter Inspection	\$282,012,034	6,474	\$293,763,000	6,474	-\$60,884,000	\$232,879,000	6,498
New User Fees	--	--	--	--	+\$67,072,000	67,072,000	--
Total, Slaughter Inspection	282,012,034	6,474	293,763,000	6,474	+\$6,188,000(1)	299,951,000	6,498
(b) Processing Inspection ..	117,903,900	2,398	121,635,000	2,398	-25,484,000	96,151,000	2,409
New User Fees	--	--	--	--	+\$27,769,000	27,769,000	--
Total, Processing Inspection	117,903,900	2,398	121,635,000	2,398	+\$2,285,000(2)	123,920,000	2,409
(c) Import-Export Inspection	11,760,400	210	12,087,000	210	-2,562,000	9,525,000	210
New User Fees	--	--	--	--	+\$2,762,000	2,762,000	--
Total, Import-Export Inspection	11,760,400	210	12,087,000	210	+\$200,000(3)	12,287,000	210
(d) Laboratory Services	23,174,872	304	23,648,000	304	-6,110,000	17,538,000	304
New User Fees	--	--	--	--	+\$6,397,000	6,397,000	--
Total, Laboratory Services	23,174,872	304	23,648,000	304	+\$287,000(4)	23,935,000	304
(e) Grants-to-States	37,980,606	--	38,522,000	--	+\$1,040,000(5)	39,562,000	--
Unobligated balance lapsing ..	582,188	--	--	--	--	--	--
Total available or estimate ...	473,414,000	9,386	489,655,000	9,386	+\$10,000,000	499,655,000	9,421
Transfer to Other Accounts ...	98,000		212,000	2	--	--	--
New User Fees	--	--	--	--	-\$104,000,000	-104,000,000	--
Total, Appropriation	473,512,000	9,386	489,867,000	9,388	-\$94,000,000	395,655,000	9,421
Economic Stimulus ^a			4,000,000	80			
Investment Proposal						18,000,000	200
Total, President's Budget			493,867,000	9,468		413,655,000	9,621

^a As included in the President's Economic Stimulus package, the Food Safety and Inspection Service is requesting a supplemental appropriation of \$4,000,000 to cover the hiring of 160 additional inspectors.

EXPLANATION OF PROGRAM

The Food Safety and Inspection Service administers a national meat and poultry inspection program pursuant to the Federal Meat Inspection Act and the Poultry Products Inspection Act. These acts require ante-mortem and post-mortem inspection of domestic livestock and poultry, and the inspection during further processing of meat and poultry products. The major objective of the meat and poultry inspection program is to ensure that the Nation's commercial supply of meat and poultry products is safe, wholesome, and correctly labeled and packaged.

The Meat and Poultry Inspection program is responsible for uniformly applying inspection procedures and standards for sanitation, humane slaughter, facilities and equipment, and product labeling at all establishments under Federal inspection. It is also responsible for assessing the effectiveness of State inspection programs to assure that standards at least equal to those under the Inspection Acts are applied to meat and poultry establishments under State jurisdiction. Further, the program is responsible for reviewing foreign inspection systems and plants that export meat and poultry products to the United States, and inspecting imported products at ports of entry. The Laboratory Services program supports meat and poultry inspection through the scientific examination of meat and poultry products for disease, contamination, or other forms of adulteration.

In its enforcement of food safety laws, the Agency strives to modernize its inspection systems and improve the effectiveness of regulatory processes. FSIS continues to emphasize reform of its inspection systems. The Agency is incorporating into its inspection procedures the scientifically-based process control approach called the Hazard Analysis and Critical Control Point (HACCP) system for enhanced public health protection. HACCP is a specific inspectional approach to control biological and physical adulteration in foods. This approach includes the assessment of risks and the identification of points throughout the production and distribution system where control is necessary to eliminate potential risks.

INSPECTION DATA

	1992 <u>Actual</u>	1993 <u>Estimated</u>	1994 <u>Estimated</u>
Federally inspected establishments:			
Slaughter plants.....	378	370	365
Processing plants.....	4,557	4,535	4,500
Combination slaughter and processing plants.....	1,044	1,050	1,060
Talmadge-Aiken Plants.....	301	301	301
Import establishments.....	150	150	150
Federally inspected production (millions of pounds):			
Meat slaughter.....	38,727	37,912	38,073
Poultry slaughter.....	35,679	36,056	37,544
Import/Export activity (millions of pounds):			
Meat and poultry imported.....	2,609	2,700	2,800
Meat and poultry exported.....	3,730	3,700	3,700
Imports refused entry.....	11	11	11
States and territories with cooperative agreements:			
Intrastate inspection.....	27	27	27
Talmadge-Aiken inspection.....	17	17	17
Number of slaughter and/or processing plants (excludes exempt plants).....	2,864	2,880	2,880
Pounds inspected, slaughter (millions).....	748	750	750
Compliance activities:			
Hazardous product detained (millions of pounds).....	86	16	18
Compliance reviews.....	57,077	60,000	62,000
Detention actions.....	881	900	900
Laboratory Services (samples analyzed):			
Food chemistry.....	49,185	50,000	50,000
Food microbiology.....	34,554	42,000	85,000
Chemical residues.....	157,422	157,000	157,000
Antibiotic residues.....	221,175	221,000	221,000
Pathology samples.....	10,612	11,000	11,000

GAO REPORTS

<u>NUMBER</u>	<u>DATE ISSUED</u>	<u>DATE COMPLETED</u>	<u>DESCRIPTION</u>
RCED-92-142	7/27/92	---	Food Safety and Quality: Uniform, Risk-based Inspection System Needed to Ensure Safe Food Supply.
RCED-92-69	5/27/92	No findings	Review of FDA and Related Agencies Efforts to Control the Spread of Salmonella Enteritidis in Eggs and Poultry.
RCED-92-22	10/9/91	3/3/92	International Food Safety: Comparison of U.S. and Codex Pesticide Standards.
RCED-91-168	9/3/91	No findings	U.S. Department of Agriculture: Revitalizing Structure, Systems, and Strategies.
RCED-91-81	5/13/91	10/16/91	Food Distribution Program: Appearance of USDA's Canned Beef and Pork Can Be Improved.
RCED-91-41	3/12/91	---	U.S. Department of Agriculture: Improving Management of Cross-Cutting Agricultural Issues.
RCED-90-176	5/31/90	4/30/92	Food Safety: Issues USDA Should Address Before Ending Canadian Meat Inspection.
RCED-87-142	9/30/87	---	Imported Meat and Livestock: Chemical Residue Detection and the Issue of Labeling.

OIG REPORTS

24062-2-Kc	7/30/92	No Findings	Special Study - Plants Operating Under the Streamlined Inspection System for Beef.
24600-1-At	9/30/91	---	Monitoring of Drug Residues.
24099-6-At	6/28/91	---	Accreditation of Commercial Laboratories.
24099-5-At	6/26/90	---	Labeling Policies and Approvals.
24002-4-Hy	3/29/89	3/30/92	Follow-Up Audit of the FSIS Imported Meat Process.
24609-1-At	11/17/88	---	Monitoring and Controlling Pesticide Residues in Domestic Meat and Poultry Products.
24097-1-At	2/5/87	---	FSIS Exporting Procedures.

JUSTIFICATION OF INCREASES AND DECREASES

(1) A net increase of \$6,188,000 for Slaughter Inspection (\$293,763,000 available in 1993):

- (a) An increase of \$6,287,000 for pay costs which reflects the annualization of the fiscal year 1993 pay raise.
- (b) An increase of \$900,000 which reflects a 2.7 percent increase in non-salary costs.
- (c) A decrease of \$953,000 which reflects a 3 percent reduction in administrative expenses from the amount made available for fiscal year 1993 adjusted for inflation.

Need for Change. To promote the efficient use of resources for administrative purposes, in keeping with the President's Executive order, total USDA baseline outlays for these activities will be reduced by 3 percent in FY 1994, 6 percent in FY 1995, 9 percent in FY 1996 and 14 percent in FY 1997.

Nature of Change. In order to achieve this savings, FSIS will limit all non-essential travel and carefully monitor supply purchases, printing and reproduction costs, utility usage, and service contracts.

- (d) A decrease of \$46,000 for FTS 2000 funding which reflects lower long distance telecommunications prices due to price redeterminations in the FTS 2000 contracts.
- (e) No net program change comprised of a decrease of \$67,072,000 in appropriations offset by an increase of \$67,072,000 which shall be derived by charging fees for inspection services provided beyond a single shift.

Need for Change. Meat and poultry inspection services for all regularly scheduled and approved shifts are paid with Federal funds. Establishments with more than one regularly scheduled and approved shift are generally large plants with sizable production operated by corporations or large business interests. Establishments which do not have enough production to warrant an additional complete shift must pay overtime. These establishments tend to be smaller plants owned by families or small businesses. To put large and small establishments on equal footing, all establishments which operate more than a single approved primary shift will be required to pay the full costs of the additional inspection.

Nature of Change. All slaughter plants will be required to reimburse the Agency for the cost of any daily inspection performed at times other than those of a single approved primary shift. Plants which now operate beyond approved regularly scheduled shifts already pay the overtime costs of inspection. Plants which now regularly operate an approved second shift are provided inspection without reimbursing the Agency. It is estimated the Agency will collect \$67,072,000 in fees related to slaughter inspection.

(2) A net increase of \$2,285,000 for Processing Inspection (\$121,635,000 available in 1993):

- (a) An increase of \$2,328,000 for pay costs which reflects the annualization of the fiscal year 1993 pay raise.
- (b) An increase of \$371,000 which reflects a 2.7 percent increase in non-salary costs.
- (c) A decrease of \$395,000 which reflects a 3 percent reduction in administrative expenses from the amount made available for fiscal year 1993 adjusted for inflation.

Need for Change. To promote the efficient use of resources for administrative purposes, in keeping with the President's Executive order, total USDA baseline outlays for these activities will be reduced by 3 percent in FY 1994, 6 percent in FY 1995, 9 percent in FY 1996 and 14 percent in FY 1997.

Nature of Change. In order to achieve this savings, FSIS will limit all non-essential travel and carefully monitor supply purchases, printing and reproduction costs, utility usage, and service contracts.

- (d) A decrease of \$19,000 for FTS 2000 funding which reflects lower long distance telecommunications prices due to price redeterminations in the FTS 2000 contracts.
- (e) No net program change comprised of a decrease of \$27,769,000 in appropriations offset by an increase of \$27,769,000 which shall be derived by charging fees for inspection services provided beyond a single shift.

Need for Change. Meat and poultry inspection services for all regularly scheduled and approved shifts are paid with Federal funds. Establishments with more than one regularly scheduled and approved shift are generally large plants with sizable production operated by corporations or large business interests. Establishments which do not have enough production to warrant an additional complete shift must pay overtime. These establishments tend to be smaller plants owned by families or small businesses. To put large and small establishments on equal footing, all establishments which operate more than a single approved primary shift will be required to pay the full costs of the additional inspection.

Nature of Change. All processing plants will be required to reimburse the Agency for the cost of any daily inspection performed at times other than those of a single approved primary shift. Plants which now operate beyond approved regularly scheduled shifts already pay the overtime costs of inspection. Plants which now regularly operate an approved second shift are provided inspection without reimbursing the Agency. It is estimated the Agency will collect \$27,769,000 in fees related to processing inspection.

(3) A net increase of \$200,000 for Import/Export Inspection (\$12,087,000 available in 1993):

- (a) An increase of \$204,000 for pay costs which reflects the annualization of the fiscal year 1993 pay raise.
- (b) An increase of \$38,000 which reflects a 2.7 percent increase in non-salary costs.
- (c) A decrease of \$40,000 which reflects a 3 percent reduction in administrative expenses from the amount made available for fiscal year 1993 adjusted for inflation.

Need for Change. To promote the efficient use of resources for administrative purposes, in keeping with the President's Executive order, total USDA baseline outlays for these activities will be reduced by 3 percent in FY 1994, 6 percent in FY 1995, 9 percent in FY 1996 and 14 percent in FY 1997.

Nature of Change. In order to achieve this savings, FSIS will limit all non-essential travel and carefully monitor supply purchases, printing and reproduction costs, utility usage, and service contracts.

- (d) A decrease of \$2,000 for FTS 2000 funding which reflects lower long distance telecommunications prices due to price redeterminations in the FTS 2000 contracts.
- (e) No net program change comprised of a decrease of \$2,762,000 in appropriations offset by an increase of \$2,762,000 which shall be derived by charging fees for inspection services provided beyond a single shift.

Need for Change. Meat and poultry inspection services for all regularly scheduled and approved shifts are paid with Federal funds. Establishments with more than one regularly scheduled and approved shift are generally large plants with sizable production operated by corporations or large business interests. Establishments which do not have enough production to warrant an additional complete shift must pay overtime. These establishments tend to be smaller plants owned by families or small businesses. To put large and small establishments on equal footing, all establishments which operate more than a single approved primary shift will be required to pay the full costs of the additional inspection.

Nature of Change. All import-export facilities requiring meat and poultry inspection will be required to reimburse the Agency for the cost of any daily inspection performed during other than a single approved shift. Facilities which now operate beyond approved regularly scheduled shifts already pay the overtime costs of inspection. Facilities which now regularly operate an approved second shift are provided inspection without reimbursing the Agency. It is estimated the Agency will collect \$2,762,000 in fees related to import-export inspection.

- (4) A net increase of \$287,000 for laboratory testing of meat and poultry products (\$23,648,000 available in 1993):
 - (a) An increase of \$295,000 for pay costs which reflects the annualization of the fiscal year 1993 pay raise.

- (b) An increase of \$72,000 which reflects a 2.7 percent increase in non-salary costs.
- (c) A decrease of \$76,000 which reflects a 3 percent reduction in administrative expenses from the amount made available for fiscal year 1993 adjusted for inflation.

Need for Change. To promote the efficient use of resources for administrative purposes, in keeping with the President's Executive order, total USDA baseline outlays for these activities will be reduced by 3 percent in FY 1994, 6 percent in FY 1995, 9 percent in FY 1996 and 14 percent in FY 1997.

Nature of Change. In order to achieve this savings, FSIS will limit all non-essential travel and carefully monitor supply purchases, printing and reproduction costs, utility usage, and service contracts.

- (d) A decrease of \$4,000 for FTS 2000 funding which reflects lower long distance telecommunications prices due to price redeterminations in the FTS 2000 contracts.
- (e) No net program change comprised of a decrease of \$5,397,000 in appropriations offset by an increase of \$5,397,000 which shall be derived by charging fees for inspection services provided beyond a single shift.

Need for Change. Meat and poultry inspection services for all regularly scheduled and approved shifts are paid with Federal funds. Establishments with more than one regularly scheduled and approved shift are generally large plants with sizable production operated by corporations or large business interests. Establishments which do not have enough production to warrant an additional complete shift must pay overtime. These establishments tend to be smaller plants owned by families or small businesses. To put large and small establishments on equal footing, all establishments which operate more than a single approved primary shift will be required to pay the full costs of the additional inspection.

Nature of Change. All plants and facilities requiring meat and poultry inspection will be required to reimburse the Agency for any laboratory costs associated with daily inspection performed outside of a primary approved shift. It is estimated the Agency will collect \$5,397,000 in fees for laboratory costs associated with inspections beyond one shift.

- (f) No net program change comprised of a decrease of \$1,000,000 in appropriations offset by an increase in user fees of \$1,000,000 resulting from user fees for the Accredited Laboratory Program.

Need for Change. The Food, Agriculture, Conservation, and Trade Act Amendments of 1991 (P.L. 102-237) requires laboratories seeking accreditation under the Federal Meat Inspection Act and the Poultry Products Inspection Act to pay a nonrefundable accreditation fee.

Nature of Change. Laboratories accredited by the Agency to perform certain tests of meat and poultry products will be required to reimburse the Federal Government for the full cost of providing and maintaining a continuing review of their accreditation status.

- (5) An increase of \$1,040,000 for Grants-to-States (\$38,522,000 available in 1993):
 - (a) An increase of \$1,040,000 which reflects a 2.7 percent increase in non-salary costs.

Food Safety and Inspection Service
Summary of Investment Proposals

SUMMARY OF INCREASES AND DECREASES - INVESTMENT PROPOSAL

<u>Item of Change</u>	<u>Base Request</u>	<u>Investment Proposal</u>	<u>Total Request</u>
Slaughter Inspection ...	\$299,951,000	+\$6,425,000	\$306,376,000
Processing Inspection ..	123,920,000	+3,575,000	127,495,000
Import-Export Inspection	12,287,000	--	12,287,000
Laboratory Services	23,935,000	--	23,935,000
Food Safety Methodology.	--	+8,000,000	8,000,000
Grants-to-States	<u>39,562,000</u>	<u>--</u>	<u>39,562,000</u>
Total Available	499,655,000	+18,000,000	517,655,000
New User Fees	<u>-104,000,000</u>	<u>--</u>	<u>-104,000,000</u>
Total Appropriation .	<u>395,655,000</u>	<u>+18,000,000</u>	<u>413,655,000</u>

Explanation of Investment Proposal

This investment proposal both strengthens the current inspection system and provides the necessary resources to develop an improved science-based, risk-based system. The additional funding would improve the Federal meat and poultry inspection system by increasing the number of meat and poultry inspectors and also by increasing the funding available for the development of an improved means of ensuring public safety through more scientific approaches to reducing health risks in meat and poultry products. This proposal would fund 200 additional inspectors over the number funded in the FY 1993 appropriation. Additional resources would be available to expand the microbiological baseline study and to fund research to develop methods to rapidly detect microbiological pathogens.

Proposed Language

In addition to amounts already available under this heading, and subject to the same terms and conditions, \$18,000,000 for expansion and strengthening of the meat and poultry inspection program.

Food Safety and Inspection Service
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS AND STAFF-YEARS
1992 and Estimated 1993 and 1994

	FY 1992		FY 1993		FY 1994	
	Amount	Staff-Years	Amount	Staff-Years	Amount	Staff-Years
Alabama	\$16,890,924	421	\$17,635,000	425	\$18,492,000	431
Alaska	345,000	0	360,000	0	378,000	0
Arizona	1,405,785	22	1,468,000	22	1,539,000	23
Arkansas	22,733,849	588	23,735,000	593	24,889,000	602
California	28,863,688	607	30,135,000	612	31,600,000	623
Colorado	6,602,815	158	6,894,000	159	7,229,000	162
Connecticut	1,535,976	33	1,604,000	33	1,682,000	34
Delaware	4,023,383	97	4,201,000	98	4,405,000	99
District of Columbia	65,527,148	685	68,412,000	690	71,740,000	705
Florida	7,413,526	127	7,740,000	128	8,116,000	130
Georgia	28,789,808	589	30,058,000	594	31,519,000	603
Hawaii	1,485,466	2	1,551,000	2	1,626,000	2
Idaho	2,344,134	55	2,447,000	55	2,566,000	56
Illinois	13,138,047	223	13,717,000	225	14,384,000	228
Indiana	6,788,385	121	7,087,000	122	7,432,000	124
Iowa	17,434,681	404	18,202,000	408	19,087,000	414
Kansas	10,843,645	241	11,321,000	243	11,872,000	247
Kentucky	5,731,702	137	5,984,000	138	6,275,000	140
Louisiana	5,058,642	86	5,281,000	87	5,538,000	88
Maine	1,032,163	22	1,078,000	22	1,130,000	23
Maryland	9,265,870	206	9,674,000	208	10,144,000	211
Massachusetts	2,628,321	61	2,744,000	62	2,877,000	63
Michigan	7,763,975	181	8,106,000	183	8,500,000	185
Minnesota	12,624,907	306	13,181,000	309	13,822,000	314
Mississippi	9,936,444	233	10,374,000	235	10,878,000	239
Missouri	17,660,746	346	18,439,000	349	19,335,000	355
Montana	2,099,760	37	2,192,000	37	2,299,000	38
Nebraska	12,401,861	313	12,948,000	316	13,578,000	321
Nevada	439,287	10	459,000	10	481,000	10
New Hampshire	451,945	10	472,000	10	495,000	10
New Jersey	5,258,911	118	5,491,000	119	5,757,000	121
New Mexico	1,478,713	25	1,544,000	25	1,619,000	26
New York	11,655,110	255	12,168,000	257	12,760,000	261
North Carolina	16,320,190	357	17,039,000	360	17,867,000	366
North Dakota	1,161,321	26	1,212,000	26	1,271,000	27
Ohio	10,504,503	142	10,967,000	143	11,500,000	145
Oklahoma	4,578,258	71	4,780,000	72	5,012,000	73
Oregon	3,343,372	75	3,491,000	76	3,660,000	77
Pennsylvania	19,013,778	445	19,851,000	449	20,816,000	456
Rhode Island	526,955	12	550,000	12	577,000	12
South Carolina	5,280,372	107	5,513,000	108	5,781,000	110
South Dakota	3,230,441	70	3,373,000	71	3,537,000	72
Tennessee	6,135,814	142	6,406,000	143	6,717,000	145
Texas	29,774,064	589	31,085,000	594	32,597,000	603
Utah	2,447,251	45	2,555,000	45	2,679,000	46
Vermont	613,322	8	640,000	8	671,000	8
Virginia	10,094,700	228	10,539,000	230	11,052,000	234
Washington	5,018,286	117	5,239,000	118	5,494,000	120
West Virginia	1,678,655	31	1,753,000	31	1,838,000	32
Wisconsin	8,133,129	135	8,491,000	136	8,904,000	138
Wyoming	192,000	0	200,000	0	210,000	0
Guam	9,873	0	10,000	0	11,000	0
Puerto Rico	2,798,086	65	2,921,000	66	3,063,000	67
Samoa	54,277	1	57,000	1	59,000	1
Virgin Islands	72,188	1	75,000	1	79,000	1
Foreign Countries ..	196,360	0	206,000	0	216,000	0
Subtotal, Available or Estimate	472,831,812	9,386	493,655,000	9,466	517,655,000	9,621
Unobligated balance	582,188	--	--	--	--	--
Total, Available or Estimate	473,414,000	9,386	493,655,000	9,466	517,655,000	9,621

Passenger Motor Vehicles

Age and mileage data for passenger motor vehicles on hand as of September 30, 1992, is as follows:

Age-Year Model	Age Data		Lifetime Mileage (thousands)	Mileage Data	
	Number of Vehicles	Percent of Total		Number of Vehicles	Percent of Total
1988 Toyota	1	100	65-75	1	100

The passenger motor vehicle owned by Food Safety and Inspection Service is used by Import Inspectors in American Samoa.

RURAL DEVELOPMENT ADMINISTRATION

Purpose Statement

The Rural Development Administration was established by Public Law 101-624, The Food, Agriculture, Conservation and Trade Act of 1990, enacted November 28, 1990. The Rural Development Administration's program activities include:

COMMUNITY PROGRAMS:

Community facility loans - are insured loans authorized to be made to public, quasi-public, and nonprofit associations and to certain Indian tribes in rural areas and towns with a population of 20,000 or less for essential community facilities including necessary related equipment. Loans are repayable in not more than 40 years. Direct loans bear interest not in excess of the current market yield for comparable term municipal obligations. Those loans, made in areas where: (1) the median household income of the service area falls below the higher of 80 percent of the statewide nonmetropolitan median household income or the poverty level, and (2) the project is for Health Care and related facilities or is needed to meet health or sanitary standards, bear interest not in excess of 5 percent. An intermediate rate based on the poverty rate plus one-half the difference between 5 percent and the market rate, with a ceiling of 7 percent, will apply for those projects that do not meet the requirements for the 5 percent interest rate but are located in areas where the median household income does not exceed 100 percent of the statewide nonmetropolitan median household income. Direct loan recipients also have their choice between the interest rate in effect at the time of loan approval or loan closing. An additional 2 percent is added to the interest rate if projects are built on prime farmland, unless the borrower is a public body and there are no suitable optional sites. Guaranteed loans may be made to borrowers unable to obtain credit elsewhere under similar terms and conditions. The interest rate for guaranteed loans is negotiated between the lender and borrower.

Water and waste disposal loans - are loans authorized to be made to public, quasi-public, and nonprofit associations, and to certain Indian tribes in rural areas and towns with a population not in excess of 10,000 for the development, replacement, or upgrading of water systems and waste disposal systems. These loans are repayable in not more than 40 years. Direct loans bear interest not in excess of the current market yield for comparable term municipal obligations. Those loans, made in areas where: (1) the median household income of the service area falls below the higher of 80 percent of the statewide nonmetropolitan median household income or the poverty level; and (2) the project is needed to meet applicable health or sanitary standards, bear interest not in excess of 5 percent. An intermediate rate based on the poverty rate plus one-half the difference between 5 percent and the market rate, with a ceiling of 7 percent, will apply for those projects that do not meet the requirements for the 5 percent interest rate but are located in areas where the median household income does not exceed 100 percent of the statewide nonmetropolitan median household income. During FY 1993, direct loans are authorized to costs that are a result of natural disasters such as Hurricanes Andrew and Iniki and Typhoon Omar. Funds are available to the same qualifying entities that are eligible under the regular program. Guaranteed loans may be made to borrowers unable to obtain credit elsewhere under similar terms and conditions. The interest rate for guaranteed loans is negotiated between the lender and borrower.

Water and waste disposal grants - are authorized to be made to public, quasi-public, and nonprofit associations, and to certain Indian tribes for the development, storage, treatment, purification, and distribution of water or the collection, treatment, or disposal of waste in rural areas. Grants are used for water and waste disposal projects servicing the most financially needy communities to reduce user costs to a reasonable level. Grants may be made to communities that have a median household income that falls below the higher of the poverty line or 100 percent of the State's nonmetropolitan median household income. Grant rates are based on a graduated scale providing higher rates for projects in communities that have lower income levels but may not exceed 75 percent of the eligible development costs of the project. The grant rate for communities whose income level exceeds the poverty line and is more than 80 percent but less than 100 percent of the State's nonmetropolitan median household income may not exceed 55 percent of the eligible development cost of the project. In addition, P.L. 99-198,

the Food Security Act of 1985, provided that not less than 1 percent nor more than 2 percent of the water and waste disposal grant funds appropriated each year be made available for technical assistance and training of eligible grantee associations. Also, the FY 1993 Appropriations Act provides \$25 million for grants to the Colonias along the United States-Mexico border. During FY 1993, grants are authorized to cover costs that are a result of natural disasters such as Hurricanes Andrew and Iniki and Typhoon Omar. Funds are available to the same qualifying entities that are eligible under the regular program.

Emergency community water assistance grants - are authorized to be made to public bodies and private nonprofit organizations for the purpose of construction or extension of waterlines, repairs or maintenance of existing systems, replacement of equipment, and payment of costs to correct emergency situations. Grants may be made for 100 percent of projected cost in rural areas and cities or towns with a population not in excess of 5,000 and a median household income not in excess of 100 percent of the State's nonmetropolitan median household income. Grants made to alleviate a significant decline in quantity or quality of water available from the water supplies in rural areas that occurred within two years of filing an application with FmHA may not exceed \$500,000. Grants made for repairs, partial replacement or significant maintenance on an established system may not exceed \$75,000. During FY 1993, grants are available in rural areas, cities and towns with a population not in excess of 15,000 to cover costs that are a result of natural disasters such as Hurricanes Andrew and Iniki and Typhoon Omar.

Solid-waste management grants - are authorized to be made to nonprofit organizations and public bodies in rural areas and towns up to 10,000 to local and regional governments and related agencies for reducing or eliminating pollution of water resources and improve planning and management of solid waste disposal facilities.

Business and industrial guaranteed loans - are guarantees issued to local lenders on loans made to public, private, or cooperative associations organized for profit or nonprofit, to certain Indian tribes or tribal groups, corporate entities, or to individuals for the purpose of improving, developing, or financing business, industry, and employment, and improving the economic and environmental climate in rural communities. This type of assistance is available only to businesses located in areas outside the boundary of a city of 50,000 or more and its immediate adjacent urbanized area. These loans are made at rates agreed upon by the borrower and lender with a maturity of 7, 15, or 30 years depending on the collateral offered, with a maximum of \$10 million per loan. Loan Guarantees may also be issued through the Business and Industry (B&I) program for costs arising from the consequences of natural disasters such as Hurricanes Andrew and Iniki and Typhoon Omar and certain microburst wind occurrences. Loans are available in rural or nonrural areas and may include businesses engaged in agricultural production, recreation, and tourism that are ineligible for regular B&I loans.

Rural Development/Intermediary Relending Program loans - are to be made to intermediary borrowers (i.e., private nonprofit corporations, state or local government agencies, Indian tribes, and cooperatives) who, in turn, will relend the funds to rural businesses, private nonprofit organizations and others meeting the criteria for ultimate recipients. Financial assistance from the intermediary to the ultimate recipient must be for community development projects, the establishment of new businesses and/or the expansion of existing businesses, creation of employment opportunities and/or saving existing jobs. The total amount of IRP loan funds requested by the intermediary plus the outstanding balance of existing IRP loan(s) may not exceed \$2,000,000 per intermediary. Additional funds are available for intermediaries that will make loans for costs that are a consequence of natural disasters such as Hurricanes Andrew and Iniki and Typhoon Omar.

Rural business enterprise grants - are made to finance and facilitate development of small and emerging private business enterprises in rural areas or cities of up to 50,000 population. Priority is given to applications for projects in open country, rural communities and towns of 25,000 and smaller and economically distressed communities. Rural business enterprise grants include grants made to third party lenders to establish revolving loan programs. Broadcasting system grants - are authorized to statewide private nonprofit public television systems, whose coverage area is predominantly rural, for the purpose of demonstrating the effectiveness of such systems in providing information on issues of importance to

farmers and rural residents. These television demonstration grants may be used for capital equipment expenditures, start-up and program costs, and other costs necessary to the operation of such demonstrations.

Other rural development grants - are provided from funds transferred from the Appalachian Regional Commission and other Federal organizations for cooperative efforts in rural development. The funded projects focus on basic needed facilities essential to the region's growth and economic development.

Alcohol Fuels Credit - The Alcohol Fuels Credit program provides guarantees, pursuant to an emergency declaration, for lines of credit for the purpose of purchasing grains or cellulosic materials for the production of alcohol fuels at established cooperative facilities as necessary to meet deliveries under contract. The percentage of guarantee is 75 percent. All advances under the line of credit must be made within 2 years of the date of the Contract of Guarantee and the final maturity must be within 3 years of the line of credit agreement.

Credit reform procedures - The 1993 Budget reflects the credit reform procedures for federal credit programs authorized by the Budget Enforcement Act of 1990, Title XIII of the Omnibus Budget Reconciliation Act of 1990. These procedures require that budget authority and outlays for these loan programs represent subsidy costs, including interest subsidies, defaults, and administrative expenses, rather than loan disbursements and repayments. Loan levels are included in the appropriation language requested for the subsidy amount for FY 1994. The appropriation language also specifies the portion of the requested budget authority to be used for administrative expenses. Budget authority for the subsidy represents the net present value of estimated cash flows over the lifetime of the loans; whereas outlays represent the portion of the subsidy related to the loan amounts disbursed within the year. Budget authority and outlays for the subsidies are presented in the Budget in "loan program accounts." All loan disbursement and repayment activity related to loans made in FY 1992 or later appear in a "financing account" and is considered "off-budget" for purposes of estimating the deficit. Budget authority and outlays for accounts" and are calculated as before, to represent disbursements, borrower repayments and payments, Federal Financing Bank repayments and Treasury loan repayments.

General - In fiscal year 1993, the budgeted lending programs will be comprised of direct and guaranteed loans. Direct loans are made directly to the borrower by the Agency and serviced by the Agency for the life of the loan.

Guaranteed loans are originated, held, and serviced by a private financial agency or other lender approved by the Secretary. The Agency guarantees to pay to the lender up to a specified percent of the face value of a guaranteed loan if the borrower fails to repay.

As of September 30, 1992, RDA's portfolio was about 10,000 borrowers total principal indebtedness of about \$5.8 billion. RDA administers its programs through the Washington Headquarters and seven Regional Offices. Pursuant to a provision in the FY 1993 appropriations act, the loan making and loan servicing activities will continue to be performed by FmHA field offices. As of September 10, 1992, there were 352 RDA employees, of which, 330 were full-time employees in permanent positions. Of these, 64 PFT and 8 others were based in Washington and 266 PFT and 14 others were in the field.

RURAL DEVELOPMENT ADMINISTRATION

Available Funds and Staff Years
1992 Appropriated and Estimated 1993 and 1994

Item	1992 Appropriated		1993 Estimated		1994 Estimated	
	Amount	Staff: Years	Amount	Staff: Years	Amount	Staff: Years
Rural Development						
Administration:						
Rural Development						
Insurance Fund:						
Program Account:						
Subsidy a/ b/.....	133,116,000		168,031,000		165,853,000	
Admin. Expense -						
Non-recoverable						
Loan Cost.....	0		914,000		911,000	
Rural Development						
Loan Fund:						
Program Account:						
Subsidy b/.....	24,364,000		18,616,000		97,769,000	
Admin. Expense -						
Non-recoverable						
Loan Cost.....	0		5,000		5,000	
Alcohol Fuels Credit						
Guarantee Fund:						
Subsidy.....	0		9,000,000		0	
Admin. expense....	0		100,000		0	
Rural Water and Waste:						
Disposal Grants c/..	375,600,000		671,767,000		540,530,000	
Emergency Community						
Water Assistance						
Grants b/.....	25,400,000		10,000,000		10,270,000	
Solid Waste Manage-						
ment Grants...	3,000,000		3,000,000		3,081,000	
Rural Development						
Grants.....	20,750,000		20,750,000		51,310,000	
Rural Community Fire						
Protection Grants...	3,500,000		3,500,000		3,595,000	
Salaries & Expenses:						
Direct Appropria-						
tion.....	0		14,787,000	162	8,153,000	88
Transfers from:						
FmHA.....	39,000,000	142	0		0	
RDIF Program Acct.	0		21,755,000	234	27,057,000	287
RDLF Program Acct.	0		524,000	6	2,502,000	27
Subtotal, Rural Dev-	624,730,000	142	942,749,000	402	911,036,000	402
elopment Admin.....						
Obligations under						
other Federal Funds:						
Appalachian Regional						
Development Program						
Grants.....	15,539,251		5,000,000		5,000,000	
Admin. expense.....	63,554		150,000		150,000	
Economic Development						
Grants.....	5,519,580		500,000		500,000	
Reimbursements to						
Support the Initia-						
tive on Rural Devel-						
opment.....	1,453,000		4,000,000		4,108,000	
Subtotal, Other Fed-	22,575,385		9,650,000		9,758,000	
eral Funds.....						
Total, Rural Develop-						
ment Administra-						
tion.....	647,305,385	142	952,399,000	402	920,794,000	402

RURAL DEVELOPMENT ADMINISTRATION

Available Funds and Staff Years
1992 Appropriated and Estimated 1993 and 1994
(Continued)

- a/ Excludes negative subsidy amounts transferred from the financing account to the proprietary receipt account.
- b/ FY 1992 amounts include the FY 1992 Dire Emergency Supplemental Act.
- c/ Excludes \$600,269 of unobligated balance and \$6,548,193 of recoveries from prior year obligations which were available in 1992 and \$2,842,162 of unobligated balance available in FY 1993.

RURAL DEVELOPMENT ADMINISTRATION

Permanent Positions by Grade and Staff-Year Summary
1992 and Estimated 1993 and 1994

Grade	1992			1993			1994		
	Headqtrs	Field	Total	Headqtrs	Field	Total	Headqtrs	Field	Total
Executive Level V	1	--	1	1	--	1	1	--	1
ES-5	1	--	1	1	--	1	1	--	1
ES-4	1	--	1	1	--	1	1	--	1
GS/GM-15	43	8	51	44	7	51	44	7	51
GS/GM-14	17	14	31	17	14	31	17	14	31
GS/GM-13	47	79	126	46	80	126	46	80	126
GS-12	11	86	97	11	86	97	11	86	97
GS-11	1	--	1	1	--	1	1	--	1
GS-10	1	--	1	1	--	1	1	--	1
GS-9	1	--	1	1	--	1	1	--	1
GS-8	2	7	9	2	7	9	2	7	9
GS-7	13	13	26	13	13	26	13	13	26
GS-6	14	19	33	14	19	33	14	19	33
GS-5	2	20	22	2	20	22	2	20	22
GS-4	1	--	1	1	--	1	1	--	1
Total Permanent Positions.....	156	246	402	156	246	402	156	246	402
Unfilled Positions: end-of-year.....	-92	+20	-72	--	--	--	--	--	--
Total, Permanent Employment, end-of year.....	64	266	330	156	246	402	156	246	402
Ceiling Staff Years.....	32	108	140	156	246	402	156	246	402

RURAL DEVELOPMENT ADMINISTRATION

CLASSIFICATION BY OBJECTS

FY 1992 and Estimated FY 1993 and FY 1994

Personnel Compensation:	FY 1992	FY 1993	FY 1994
Headquarters.....	\$2,127,000	\$7,224,000	\$7,549,000
Field.....	<u>4,435,000</u>	<u>11,299,000</u>	<u>11,807,000</u>
11 Total personnel compensation..	6,562,000	18,523,000	19,356,000
12 Personnel benefits.....	3,839,000	4,920,000	5,006,000
13 Benefits for former personnel.	<u>0</u>	<u>600,000</u>	<u>100,000</u>
Total personnel compensation and benefits.....	<u>10,401,000</u>	<u>24,043,000</u>	<u>24,462,000</u>
Other Objects:			
21 Travel.....	1,094,000	3,310,000	3,368,000
22 Transportation of things.....	828,000	889,000	905,000
23.2 Rental payments to others....	31,000	700,000	712,000
23.3 Communication, utilities and misc. charges.....	43,000	1,557,000	1,584,000
24 Printing and reproduction....	3,000	471,000	480,000
25.2 Other services.....	118,954,000	128,478,000	121,616,000
26 Supplies and materials.....	141,000	305,000	310,000
31 Equipment.....	1,131,000	1,372,000	1,396,000
33 Investments and loans.....	735,416,000	1,265,859,000	1,459,994,000
41 Grants, subsidies and contributions.....	508,637,000	979,437,000	872,408,000
42 Insurance claims and indemnities.....	0	17,000	403,000
43 Interest and dividends.....	668,422,000	695,872,000	724,117,000
44 Refunds.....	<u>1,490,000</u>	<u>1,500,000</u>	<u>1,400,000</u>
Total other objects.....	<u>2,036,190,000</u>	<u>3,079,767,000</u>	<u>3,188,693,000</u>
Total obligations.....	<u>2,046,591,000</u> =====	<u>3,103,810,000</u> =====	<u>3,213,155,000</u> =====

Position Data:

Average Salary, ES positions.....	\$104,000	\$109,100	\$109,100
Average Salary, GM/GS positions...	\$42,652	\$48,578	\$48,578
Average Grade, GM/GS positions....	10.54	11.52	11.52

RURAL DEVELOPMENT ADMINISTRATION
SUMMARY OF PROGRAM LEVELS: FY 1992 - FY 1994
(Dollars in Thousands)

	FY 1992 ACTUAL NUMBER	AMOUNT	FY 1993 TOTAL ESTIMATE NUMBER	AMOUNT	FY 1994 PRESIDENT BUDGET NUMBER	AMOUNT
RURAL DEVELOPMENT LOAN PROGRAMS						
Direct Water and Waste Loans	859	600,000	1,514	1,070,000	1,224	876,390
Dir. Water/Waste Lns Emer Supp	0	0	47	35,500	0	0
Guar Water and Waste Loans	12	4,610	90	35,000	91	35,945
Dir Community Facility Loans	241	100,000	225	94,601	915	389,410
Guar Community Facility Loans	31	25,000	122	100,000	91	75,000
Guaranteed B&I Loans	95	99,994	94	100,000	278	300,000
Guar. B&I Loans Emerg. Supp.	0	0	290	305,000	0	0
Guar B&I Drought/Disaster Lns	4	1,128	0	0	0	0
RDLF Intermediary Relending	35	32,500	35	32,500	183	174,587
RDLF Intern. Relend Emerg Supp	0	0	15	14,255	0	0
Alcohol Fuels Guar Loans	0	0	17	18,727	0	0
	-----	-----	-----	-----	-----	-----
SUBTOTAL RD LOANS	1,277	863,232	2,449	1,805,583	2,782	1,851,332
RURAL DEVELOPMENT GRANT PROGRAMS						
Water and Waste Grants	628	354,306	1,180	674,609	935	540,530
Water and Waste Gts Emer Supp	0	0	45	25,600	0	0
Rural Development Grants	142	20,750	140	20,750	342	51,310
Solid Waste Mngt Grants	26	3,000	26	3,000	26	3,081
Emer Comm Water Asst Grants	42	10,000	44	10,000	45	10,270
Emer Comm Water Asst Gt Em Sup	0	0	69	15,400	0	0
	-----	-----	-----	-----	-----	-----
SUBTOTAL RD GRANTS	838	388,056	1,504	749,359	1,348	605,191
FARM COMMUNITY LOANS						
Watershed and Flood Prev.Lns	2	502	5	4,000	5	4,108
Resource, Conserv and Dev Lns	0	0	2	600	2	616
	-----	-----	-----	-----	-----	-----
SUBTOTAL FARM COMMUNITY LOANS	2	502	7	4,600	7	4,724
TOTAL RDA PROGRAMS						
	2,117	1,251,790	3,960	2,559,542	4,137	2,461,247
OTHER PROGRAMS						
Fire Grants	3,077	3,456	3,507	3,500	3,507	3,595

8:51AM

RURAL DEVELOPMENT ADMINISTRATION
COMPARISON OF LOAN DELINQUENT RATE
(Dollars in Thousands)

September 30, 1991

September 30, 1992

	All Borrowers				Borrowers Delinquent			All Borrowers				Borrowers Delinquent		
	Number	Amount of Loans Outstanding	Number	% of Del	Amount of Delinquent	% of All		Number	Amount of Loans Outstanding	Number	% of Del	Amount of Delinquent	% of All	
Rural Development Insur. Fund														
Community Facilities Loans:														
Water and Waste.....	7,006	3,335,058	67	1	7,578	0		7,218	3,580,076	69	1	5,641	0	
Other Community Facilities 1/	1,937	983,682	32	2	4,139	0		1,991	1,015,131	45	2	6,273	1	
Business and Industry Loans:														
Insured.....	19	14,462	3	16	489	3		18	13,600	3	17	702	5	
Guaranteed.....	1,248	1,179,944	187	15	183,456	16		1,290	1,080,013	181	14	135,503	13	
Nonprogram Loans.....	7	2,875	--	--	--	--		7	2,771	1	--	9	--	
Total, RDIF.....	10,217	5,516,021	289	3	195,662	4		10,524	5,691,591	298	3	148,119	3	
Community Service Adminis. 2/														
Economic Opportunity Loans:														
Individual.....	36	55	27	75	80	145		24	41	20	83	60	146	
Cooperative.....	15	1,299	3	20	125	10		14	1,045	2	14	115	11	
BRLF and FmHA Other.....	114	5,282	15	13	73	1		101	5,012	15	15	67	1	
Total, CSA.....	165	6,636	45	27	278	4		139	6,098	37	27	242	4	
Total, RDA.....	10,382	5,522,657	334	3	195,940	4		10,663	5,697,689	335	3	148,361	3	

1/ Information on Intermediary Relending Loans not available at this time.

2/ RDA is responsible only for servicing on Equal Opportunity Loans, the last of which were made in FY 1974.

1/ information on Guaranteed Loan and Intermediary Relending Loans not available at this time.
2/ RDA is responsible only for servicing the Equal Opportunity Loans, the last of which were made in FY 1976.

RURAL DEVELOPMENT ADMINISTRATION

The estimates include appropriation language for this item as follows (new language underscored; deleted matter enclosed in brackets):

Salaries and Expenses

For necessary expenses of the Rural Development Administration, not otherwise provided for, in administering the rural development programs of the Consolidated Farm and Rural Development Act (7 U.S.C. 1921-2000), as amended, section 1323 of the Food Security Act of 1985 (7 U.S.C. 1932 note), and title VI of the Rural Development Act of 1972, [\$37,066,000] \$37,712,000; of which [\$14,787,000] \$8,153,000 is hereby appropriated, [\$21,755,000] \$27,057,000 shall be derived by transfer from the Rural Development Insurance Fund Program Account in this Act and merged with this account, and [\$524,000] \$2,502,000 shall be derived by transfer from the Rural Development Loan Fund Program Account in this Act and merged with this account: Provided, That not to exceed \$500,000 shall be for employment under 5 U.S.C. 3109.

SALARIES AND EXPENSES

	<u>Appropriation</u>	<u>Program Resources</u>	<u>Total</u>
Appropriations Act, 1993.....	\$14,787,000	\$22,379,000	\$37,166,000
Budget Estimate, 1994.....	8,153,000	29,559,000	37,712,000
Change in Appropriation.....	-6,634,000	+7,180,000	+546,000
	=====	=====	=====

SUMMARY OF INCREASES AND DECREASES
(On basis of appropriation)

<u>Item of Change</u>	<u>Salaries & Expenses Direct Approp.</u>	<u>RDIF Program Account</u>	<u>RDLF Program Account</u>	<u>Total Available</u>
FY 1993 Estimate.....	\$14,787,000	\$21,755,000	\$524,000	\$37,066,000
Items of Increase and Decrease:				
Pay Costs.....	-4,084,000	3,722,000	1,282,000	920,000
Other Changes.....	-2,550,000	1,580,000	696,000	-274,000
Total Appropriation for FY 1994.....	8,153,000	27,057,000	2,502,000	37,712,000
	=====	=====	=====	=====

PROJECT STATEMENT
(On basis of appropriation)
(Dollars in thousands)

<u>Project</u>	<u>1992 Actual</u>	<u>1993 Estimate</u>	<u>Increase or Decrease</u>	<u>1994 Estimate</u>
	<u>Amount</u>	<u>Staff: Amount</u>	<u>Staff: Amount</u>	<u>Staff: Amount</u>
Salaries and Expenses				
Appropriation.....	0	0	\$14,787	162
Administrative Expenses contained in other accounts:				
Rural Development Insurance Fund				
Program Account.....	0	0	21,755	234
Rural Development Loan Fund Program Account.....	0	0	524	6
Transfer from FmHA.....	\$39,000	250	100	0
Subtotal 1/.....	39,000	250	37,166	402
Loan Program expenses 2/.....	0	0	(919)	0
Total Administrative Expenses.....	(39,000)	(250)	(38,085)	(402)
Transfers from Other Accounts.....	-39,000	-250	-22,379	-240
Total Appropriation...	0	0	14,787	162
	=====	=====	=====	=====

- 1/ Excludes reimbursements of \$1,453,000 in FY 1992, \$4,000,000 in FY 1993 and \$4,108,000 in FY 1994, for the National Initiative on Rural Development.
- 2/ Non-recoverable loan costs paid out of liquidating accounts in FY 1992 and program accounts in FY 1993 and beyond as required by Credit Reform.
- 3/ An additional \$37,120,000 is included in the Farm Service Agency (FSA) salaries and expenses for the purpose of administering RDA programs in state and district offices. Of the FSA total, \$1,172,000 and 14 staff years is transferred from the ACIF, \$27,560,000 and 391 staff years is transferred from the RDIF, and \$8,388,000 and 118 staff years is requested from direct appropriations.

EXPLANATION OF PROGRAM

The Food, Agriculture, Conservation, and Trade Act of 1990, P.L. 101-642, and Secretary's Memorandum 1020.34, dated December 31, 1991, established the Rural Development Administration. Rural Development Administration is devoted to the efficient delivery of programs of financial and technical assistance to rural communities concerning water and waste disposal, essential community facilities, other community services, and business financing. Activities include reviewing applications, servicing the loan portfolio and providing technical assistance and guidance to borrowers; and to assist in extending other Federal programs to people in rural areas. At all levels of the organization, the effective delivery of these programs will occupy the bulk of the organization's staff resources.

Rural Development Administration began its mission built upon the base of the Community and Business Programs of the Farmers Home Administration (FmHA). During FY 1992 and FY 1993, these programs were delivered at the state and local level by FmHA staff in State and District offices. It is anticipated that Farm Service Agency personnel will continue to make and service these RDA programs at state and local levels through FY 1994, or until RDA is authorized to establish its Area Offices. At the same time, RDA has an opportunity to provide national leadership to rural development by focusing attention on high priority development opportunities and facilitating collaborative operations among government agencies and other development organizations. This national leadership role will occupy a major share of the organization's attention.

Amounts for Salaries and Expenses are distributed between programs on the basis of staff years required to make and service loans and grants, based on Resource Management System standards. Since relatively more staff years are required to administer the increased loan programs in FY 1994, the amounts appropriated to the program loan accounts has increased relative to the amounts appropriated to the direct Salaries and Expenses account for administration of the grant programs.

JUSTIFICATION OF INCREASES AND DECREASE

(1) A net increase of \$543,000 for the administration of loan and grant programs consisting of:

(a) An increase of \$433,000 which reflects a 2.7 percent increase in non-salary costs.

Need or Change. These funds are necessary to offset increased operating costs. Continued absorption of these increased operating costs will severely affect the quality and quantity of our programs.

Nature of Change. This increase will be used to maintain a current level of services associated with inflation which will affect the critical parts of the program.

(b) An increase of \$497,000 which reflects the annualization of the fiscal year 1993 pay raise.

Need for Change. This item of increase is needed to fund the annualization of the FY 1993 pay cost increase for 402 ceiling staff years and normal salary adjustments.

Nature of Change. The request will cover the annualization of the FY 1993 pay costs and other salary adjustments occurring in FY 1993.

(c) A decrease of \$387,000 which reflects a 3 percent reduction in administrative expenses from the amount made available for FY 1993 adjusted for inflation.

Need for Change. To promote the efficient use of resources for administrative purposes, in keeping with the President's Executive Order, total USDA baseline outlays for these activities will be

JUSTIFICATION OF INCREASES AND DECREASE (Cont.)

reduced by 3 percent in FY 1994, 6 percent in FY 1995, 9 percent in FY 1996 and 14 percent in FY 1997.

Nature of Change. In order to achieve this savings, RDA will carefully monitor travel, training, supply purchases, printing and reproduction costs and utility usage.

GEOGRAPHIC BREAKDOWN OF OBLIGATIONS AND STAFF-YEARS
1992 Actual and Estimated 1993 and 1994

Salaries and Expenses

	1992	Staff	1993	Staff	1994	Staff
	<u>Amount</u>	<u>Years</u>	<u>Amount</u>	<u>Years</u>	<u>Amount</u>	<u>Years</u>
Regional Offices <u>1</u> /..	\$10,073,015	108	\$25,111,260	246	\$25,510,200	246
National Office.....	9,656,969	32	16,054,740	156	16,309,800	156
Unobligated Balance..	<u>20,723,016</u>	<u>262</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL, Available or Estimate	<u>40,453,000</u>	<u>402</u>	<u>41,166,000</u>	<u>402</u>	<u>41,820,000</u>	<u>402</u>
	=====	===	=====	===	=====	===

1/ Amounts are not distributed by geographical area since the Area Offices have not been funded.

RURAL DEVELOPMENT ADMINISTRATION

The 1994 Budget Estimates include proposed changes in the language as follows (new language underscored; deleted matter enclosed in brackets):

Rural Development Insurance Fund Program Account:

For gross obligations for the principal amount of direct and guaranteed loans as authorized by 7 U.S.C. 1928 and 86 Stat. 661-664, as amended, to be available from funds in the Rural Development Insurance Fund, as follows: water and sewer facility loans, [\$635,000,000] \$682,335,000, of which
 1 [\$35,000,000] \$35,945,000 shall be for guaranteed loans; direct community facility loans, [\$200,000,000, of which \$100,000,000 shall be for guaranteed loans] \$89,410,000; and guaranteed industrial development loans, \$100,000,000: Provided, That none of the funds made available in this Act may be used to make transfers between the above limitations.

For the cost of direct and guaranteed loans, including the cost of modifying loans, as defined in section 502 of the Congressional Budget Act of 1974, as follows: direct water and sewer facility loans, [\$87,360,000] \$89,719,000;
 2 direct community facility loans, [\$8,410,000] \$8,637,000; and guaranteed
 3 industrial development loans, [\$5,440,000.] \$930,000: Provided, That sums are
 4 to remain available through 2005 for the disbursement of loans obligated in
fiscal year 1994.

In addition, for administrative expenses necessary to carry out the direct and guaranteed loan programs, [\$58,208,000] \$55,528,000.

The first change eliminates the appropriation language for guaranteed community facility loans. Funding is included in the investment budget request.

The second change includes the appropriation language for the direct water and sewer loan subsidy.

The third change includes the appropriation language for the direct community facility loan subsidy.

The fourth change provides language which will allow for the disbursement of FY 1994 obligated subsidy to the financing accounts beyond the five-year limitation set forth in P.L. 101-510, the National Defense Authorization Act for 1991.

Rural Development Insurance Fund Program Account
 (On basis of loan level, subsidy, and administrative expense)
 (In thousands of dollars)

	Loan Level	Subsidy	Administrative Expense
Appropriations Act, FY 1993.....	\$935,000	\$101,210	\$58,208
Budget Estimate, FY 1994.....	871,745	99,286	55,528
Change in Appropriation.....	-63,255	-1,924	-2,680
	=====		

PROJECT STATEMENT

(On basis of appropriated loan levels, subsidies, and administrative expenses)
(In thousands of dollars)

Item of change	1992 Actual		1993 Appropriations		Increase or Decrease		1994 Estimated	
	Loan Level	Subsidy	Loan Level	Subsidy	Loan Level	Subsidy	Loan Level	Subsidy
Water and waste disposal:								
Direct loans.....	\$600,000	\$84,588	\$600,000	\$87,360	\$46,390 (1):	\$2,359	\$646,390	\$89,719
Guaranteed loans.....a/.....	4,610	0	35,000	0	945 (2):	0	35,945	0
Community facility:								
Direct loans.....	100,000	10,597	100,000	8,410	-10,590 (3):	227	89,410	8,637
Guaranteed loans.....b/.....	25,000	0	100,000	0	-100,000 (4):	0	0	0
Business and industry:								
Guaranteed loans.....	99,994	5,870	100,000	5,440	0	-4,510	100,000	930
Total:								
Direct loans and subsidies	\$700,000	\$95,185	\$700,000	\$95,770	\$35,800	\$2,586 (5):	\$735,800	\$98,356
Guaranteed loans and subsidies.....	129,604	5,870	235,000	5,440	-99,055	-4,510 (6):	135,945	930
Total:								
Loans and Subsidies.....	\$829,604	\$101,055	\$935,000	\$101,210	\$-63,255	\$-1,924	\$871,745	\$99,286
1992 Supplemental Act Carryover c/			340,500	24,217	-340,500	-24,217	0	0
Economic Stimulus.....			470,000	66,821	-470,000	-66,821	0	0
Investment Proposal.....			0	0	805,000	62,764	805,000	62,764
Total President's Budget.....	829,604	101,055	1,745,500	192,248	-68,755	-30,198	1,676,745	162,050
Administrative expenses d/.....	52,286	0	58,208	0	-2,680 (7):	0	55,528	0

Staff-years are reflected in the Salaries and Expense Project Statement.

a/ Because a negative subsidy rate was calculated in FY 1992, FY 1993 and FY 1994, the official subsidy rate is 0%. Therefore, a corresponding budget authority is not required.

b/ Because a negative subsidy rate was calculated in FY 1992 and FY 1993, the official subsidy rate is 0%. Therefore, a corresponding budget authority is not required.

c/ Includes direct water & waste loan program level of \$35,500,000 and \$5,917,000 subsidy and guaranteed business & industry loan program level of \$305,000,000 and \$18,300,000 subsidy.

d/ The FY 1992 estimate of administrative expense is not comparable to the FY 1993 and FY 1994 estimates. In 1992, the total \$52.3 million was transferred to FmHA Salaries and Expenses. Of the \$58,208,000 for administrative expenses in FY 1993, \$35,539,000 was transferred to FmHA Salaries and Expenses, \$21,755,000 was transferred to RDA Salaries and Expenses, and \$914,000 was retained for obligation of program-related nonrecoverable cost. Of the \$55,528,000 in FY 1994, \$27,560,000 will be transferred to FSA Salaries and Expenses, \$27,057,000 will be transferred to RDA Salaries and Expenses, and \$911,000 will be obligated for program-related nonrecoverable costs.

PROJECT STATEMENT
(On basis of 1993 loan levels and subsidies supportable
under the 1993 Appropriations Act
(In thousands of dollars))

Item of change	1993 Appropriated		Increase or Decrease		1993 Current Estimate	
	Loan Level	Subsidy	Loan Level	Subsidy	Loan Level	Subsidy
Water and waste disposal:						
Direct loans.....	\$600,000	\$87,360	0	\$-1,660	\$600,000	\$85,700
Guaranteed loans.....a/	35,000	0	0	0	35,000	0
Community facility:						
Direct loans.....	100,000	8,410	\$-5,399	132	94,601	8,542
Guaranteed loans.....a/	100,000	0	0	0	100,000	0
Business and industry:						
Guaranteed loans.....	100,000	5,440	0	-30	100,000	5,410
Total:						
Direct loans and subsidies	\$700,000	\$95,770	\$-5,399	\$-1,528	\$694,601	\$94,242
Guaranteed loans and subsidies.....	235,000	5,440	0	-30	235,000	5,410
Total:						
Loans and Subsidies.....	\$935,000	\$101,210	\$-5,399	\$-1,558	\$929,601	\$99,652
1992 Supplemental Act Carryover.....	340,500	24,217	0	-2,643	340,500	21,574
Economic Stimulus.....	470,000	66,821	-2,394	0	467,606	66,821
Total President's Budget.....	\$1,745,500	\$192,248	\$-7,793	\$-4,201	\$1,737,707	\$188,047

Staff-years are reflected in the Salaries and Expense Project Statement.

a/ Because a negative subsidy rate was calculated in FY 1993, the official subsidy rate is 0%. Therefore, a corresponding budget authority is not required.

Note - Loan levels are reduced because the subsidy rate has increased and cannot support the appropriated loan level.

EXPLANATION OF PROGRAM

As required by Title XIII, section 13201, of the Omnibus Budget Reconciliation Act of 1990, this account records the subsidy costs associated with the direct loan obligations and guaranteed loan commitments of this account in FY 1992 and beyond. Subsidy amounts are obtained by estimating the difference between the Government's cash disbursements and the net present value of the Government's cash inflows resulting from direct and guaranteed loans made through this account. For the requested FY 1994 direct loans of \$735,800,000 and guaranteed loans of \$135,945,000, the associated lifetime subsidy is estimated to be \$98,356,000 and \$930,000, respectively.

The Rural Development Act of 1972 authorized the establishment of the Rural Development Insurance fund under section 309A of the Consolidated Farm and Rural Development Act. This Act provided for transfer to the Rural Development Insurance Fund the assets and liabilities of the Agricultural Credit Insurance Fund applicable to loans for water systems and waste disposal facilities. This fund is used to insure or guarantee loans for water systems and waste disposal facilities, community facilities and industrial development in rural areas. A description of each type of loan follows:

Direct water and waste disposal loans. Loans are made to public bodies, organizations operated on a not for profit basis and Indian tribes on Federal and State Reservations and other Federally recognized Indian tribes, for the development of storage, treatment, purification, or distribution of water or the collection, treatment, or disposal of waste in rural areas. A rural area includes any area in any city or town which has a population of not more than 10,000 inhabitants.

Applicants must be unable to obtain sufficient credit elsewhere to finance actual needs at reasonable rates and terms. RDA loans are repayable in not more than 40 years or the useful life of the facility, whichever is less. These loans bear interest not in excess of the current market yield for comparable term municipal obligations. Those loans, made in areas where the median household income falls below the higher of 80 percent of the statewide nonmetropolitan median household income or the poverty level and the project is needed to meet health or sanitary standards, bear interest not in excess of 5 percent, the poverty line interest rate. The intermediate interest rate, which is the poverty line rate plus one-half the difference between the poverty line rate and the market rate, with a ceiling of 7 percent, applies when the loan does not meet the requirements of the poverty line rate and the median household income of the service area is not more than 100 percent of the nonmetropolitan median household income of the State.

Guaranteed water and waste disposal loans. Beginning in FY 1990, guaranteed loan authority was made available through the water and waste disposal loan program. Eligible borrowers and loan purposes are similar to those under the direct water and waste disposal loan program with the exception that loans involving tax-exempt obligations and loans involving a RDA grant may not be guaranteed. Normally, the guarantee will not exceed 80 percent, however, in extraordinary circumstances it may be increased up to a maximum of 90 percent. The interest rate is negotiated between the borrower and lender and may be a fixed or variable rate.

Direct community facility loans. Loans are made to public bodies, organizations operated on a not for profit basis and Indian tribes on Federal and State Reservations and other Federally recognized Indian tribes, to construct, enlarge, extend, or otherwise improve community facilities which provide essential services to rural residents. Such facilities include those providing or supporting overall community development such as fire and rescue services, health care, hydroelectric generation, and community, social and cultural benefits. Loans are made for facilities which primarily serve rural residents of open country and rural towns and villages of not more than 20,000 population.

Applicants must be unable to obtain sufficient credit elsewhere to finance actual needs at reasonable rates and terms. Loans are repayable in not more than the useful life of the facility or 40 years, whichever is less. These loans bear interest not in excess of the current market yield for comparable term municipal obligations. Those loans, made in areas where the median household income falls below the higher of 80 percent of the statewide nonmetropolitan median household income or the poverty level and the project is needed to meet health or sanitary standards, bear interest not in excess of 5 percent which is the poverty line interest rate. Also loans, made in areas where the median household income falls below the higher of 80 percent of the statewide nonmetropolitan median household income or the poverty level and the project provides for health care and related facilities will bear an interest rate not in excess of 5 percent. The intermediate interest rate, which is the poverty line rate plus one-half the difference between the poverty line rate and the market rate, with a ceiling of 7 percent, applies when the loan does not meet the requirements of the poverty line rate and the median household income of the service area is not more than 100 percent of the nonmetropolitan median household income of the State. An additional 2 percent is added to the interest rate if the projects are built on prime farmland, unless the borrower is a public body and there are no suitable optional sites.

Guaranteed community facility loans. Beginning in FY 1990, guaranteed loan authority was made available through the community facilities loan program. Eligible borrowers and loan purposes are similar to those under the direct community facilities loan program with the exception that loans involving tax-exempt obligations and loans involving a FmHA grant may not be guaranteed. Normally, the guarantee will not exceed 80 percent, however, in extraordinary circumstances it may be increased up to a maximum of 90 percent. The interest rate is negotiated between the borrower and lender and may be a fixed or variable rate.

Guaranteed business and industrial development loans. These guaranteed loans are made to public, private, or cooperative organizations organized for profit or nonprofit, to certain Indian tribes or tribal groups, corporate entities, or to individuals for the purpose of improving the economic climate in rural areas. Such purposes include financing business and industrial acquisition, construction, conversion, enlargement, repair or modernization; financing the purchase and development of land, easements, rights-of-way, buildings, equipment, facilities, machinery, supplies and materials; and paying start-up costs and supplying working capital. Industrial development loans may be made in any area that is not within the outer boundary of any city having a population of 50,000 or more and its immediately adjacent urbanized and urbanizing areas with a population density of more than 100 persons per square mile. Special consideration for such loans is given to rural areas and cities having a population of 25,000 or less. To obtain a loan, a borrower must have the legal capacity necessary for constructing, operating, and maintaining the proposed facility and for obtaining, securing, and repaying the loan. A borrower must be financially sound and so organized and managed that efficient service will be provided. Loans may be guaranteed by FmHA not to exceed 90 percent of the loss. Guaranteed loans may be made with maturities of 7, 15 or 30 years, depending on the collateral, and bear interest at a rate agreed upon by the lender and borrower.

JUSTIFICATION OF INCREASES AND DECREASES

The Administration recognizes the need to continue financial assistance by providing direct water and waste loans to low-income communities to aid their efforts in meeting Federal water quality and drinking water standards. Improved water and waste disposal services in rural areas are essential elements in our Nation's efforts to sustain and revitalize rural communities. This program is an essential element in providing needed financial assistance to the poorest rural communities to improve their health and economic conditions. The development of water and waste disposal systems is necessary if the basic quality of life in rural areas is to be stabilized and improved.

The 1990 Environmental Protection Agency (EPA) Needs Survey indicates that rural areas with a population of less than 10,000 need \$14.2 billion to bring their wastewater treatment facilities into compliance with the Clean Water Act. The survey also shows that total backlog and future needs to the year 2010 are \$42.2 billion. EPA'S Office of Drinking Water issued a report, entitled "The National Compliance Report", which shows that 72 percent of community water systems in significant noncompliance with the Safe Drinking Water Act were very small systems. Many of the rural communities that are included in these statistics will need the assistance of water and waste disposal loans to bring their water or sewer systems into compliance at a cost the residents can afford.

The Food, Agriculture, Conservation and Trade Act of 1990, amended the Consolidated Farm and Rural Development Act to give rural businesses the same eligibility status as rural residents. Rural communities can now receive financial assistance to make needed improvements to their water and waste disposal facilities to meet the needs of rural businesses. Construction or improving water and waste disposal facilities to meet the demands of rural businesses will increase the already heavy demand for water and waste loans and grants.

The 1994 budget reflects the Administration's continuing concern for rural development through continued funding for direct community facility loans. As of March 12, 1993, there are 262 applications and preapplications on hand totaling over \$207 million for direct community facility funding. Priority will be given to low income rural communities that have the greatest need for public safety and health care services in accordance with the priority system set up in FmHA regulations. This program level will provide support for 210 community facilities.

The guaranteed community facility loan program will be targeted toward higher income taxable borrowers who can afford closer to market rate loans. This program will serve communities that are more financially stable and need only a little help in obtaining loans from private lender. As of March 12, 1993, there are 37 applications and preapplications on hand totaling over \$21 million for guaranteed community facility funding.

The guaranteed business and industry loan program improves the economic and development climate and creates jobs in rural areas by bolstering the existing private credit structure through loan guarantees.

- (1) An increase of \$46,390,000 for direct water and waste loans (\$600,000,000 available in FY 1993).

Need for Change. The 1994 budget reflects the Administration's continuing concern for rural development by proposing increased funding for direct water and waste disposal loans. As of March 4, 1993, there were 1,279 applications and preapplications on hand totaling over \$1,258 million.

Nature of Change. This program level will provide support for 903 water and waste systems.

- (2) An increase of \$945,000 for guaranteed water and waste loans (\$35,000,000 available in FY 1993).

Need for Change. The guaranteed water and waste disposal loans will be targeted toward higher income borrowers who can afford market rate loans. Additional funding will help alleviate the backlog of applications and preapplications in the direct program.

Nature of Change. This level of funding will provide support for 91 water and waste disposal.

- (3) A decrease of \$10,590,000 for direct community facility loans (\$100,000,000 available in FY 1993).

Need for Change. The decrease is the result of the FY 1993 program level being increased by inflation, then offset to cover the increased subsidy cost. Therefore, loan authority is decreased to the level that is supportable as a result of higher subsidy rate.

Nature of Change. This program level will provide funds for 210 community facilities.

- (4) A decrease of \$100,000,000 for guaranteed community facilities loans (\$100,000,000 was available in FY 1993).

This decrease is the result of a technicality caused by computing a baseline budget for a program with no cost in FY 1993, i.e. zero loan authority and FY 1994 program with cost, i.e. the subsidy rate is positive. This program, however, is provided for in the investment budget proposal.

- (5) An increase of \$2,586,000 for direct loans subsidy (\$95,770,000 was available in FY 1993).

Need for Change. This estimated subsidy amount is necessary to support the direct loan obligations associated with the requested FY 1994 loan levels, as required under the provisions of the Omnibus Budget Reconciliation Act of 1990.

- (6) A decrease of \$4,510,000 in the guaranteed loan subsidy (\$5,440,000 available in FY 1993).

Need for Change. This estimated subsidy amount is necessary to support the guaranteed loan obligations associated with the requested FY 1994 loan levels, as required under the provisions of the Omnibus Budget Reconciliation Act of 1990. The decrease is attributed to changes in cash flow variables and economic assumptions.

- (7) A decrease of \$2,680,000 in administrative expenses.

Need for Change. Justification for administrative expenses in the amount of \$55,528,000 and the associated staff-years are reflected in the Salaries and Expenses Project Statement, since that amount will be transferred to Salaries and Expenses. The balance of \$911,000 will be retained by the program account for obligation of program-related, nonrecoverable cost such as environmental assessments, analysis and audits.

Rural Development Insurance Fund Program Account
Summary of Economic Stimulus Proposal

SUMMARY OF INCREASES - ECONOMIC STIMULUS PROPOSAL
(Dollars in thousands)

Item of Change	FY 1993		
	Current Estimate	Economic Stimulus Proposal	Total Proposal
Water and waste disposal:			
Direct loans.....	\$635,500	\$470,000	\$1,105,500
Direct subsidy.....	93,277	66,821	160,098

EXPLANATION OF ECONOMIC STIMULUS PROPOSAL

This supplemental request will provide \$470 million in direct water and waste disposal loan authority to the Rural Development Administration to meet water and waste water needs in rural America. The increased funding will support 665 additional loans.

PROPOSED LANGUAGE

For an additional amount for the "Rural development insurance fund program account," for the costs of water and sewer direct loans, \$66,821,000, to subsidize additional gross obligations for the principal amount of direct loans not to exceed \$470,000,000.

Rural Development Administration
Rural Development Insurance Fund - Program Account
SUMMARY OF INCREASES AND DECREASES - INVESTMENT PROPOSAL
(Dollars in thousands)

Item of change	1994					
	Base Request		Investment Proposal		Total Request	
	Loan Level	Subsidy	Loan Level	Subsidy	Loan Level	Subsidy
Water and waste disposal:						
Direct loans.....	\$646,390	\$89,719	\$230,000	\$31,924	\$876,390	\$121,643
Community facility:						
Direct loans.....	89,410	8,637	300,000	28,980	389,410	37,617
Guaranteed loans.....	0	0	75,000	3,803	75,000	3,803
Business and industry:						
Guaranteed loans.....	100,000	930	200,000	1,860	300,000	2,790
Total:						
Direct loans and subsidies	735,800	98,356	530,000	60,904	1,265,800	159,260
Guaranteed loans and subsidies.....	100,000	930	275,000	5,663	375,000	6,593

Explanation of Investment Proposal

The additional direct water and waste funding will provide increased assistance to rural communities to comply with Federal clean water environmental standards. Rural communities are unable to meet these expensive standards without Federal assistance. The proposed increased funding will provide 321 loans. The investment initiative will provide additional funds for direct and guaranteed community facility loans for construction of rural health care clinics, fire stations and equipment, and other vital facilities. Guaranteed business and industry loans will be increased to assist rural businesses in securing start-up capital and financing for expansion, creating jobs and helping diversify the rural economy.

This investment will upgrade rural infrastructure, stimulate rural economic development, improve the quality of rural life, and increase employment opportunities in rural areas.

Proposed Language

In addition to funding already available under this head, and subject to the same terms and conditions, for the cost of direct and guaranteed loans, including the cost of modifying loans, as defined in section 502 of the Congressional Budget Act of 1974, as follows: direct water and sewer facility loans, \$31,924,000; community facility loans, \$32,783,000, of which \$3,803,000 shall be for guaranteed loans; and guaranteed industrial development loans, \$1,860,000: Provided, That sums are to remain available through 2005 for the disbursement of loans obligated in fiscal year 1994: Provided further, That these funds are available to subsidize gross obligations for the principal amount of direct and guaranteed loans as authorized by 7 U.S.C. 1928 and 86 Stat. 661-664, as amended, to be available from funds in the Rural Development Insurance Fund, as follows: direct water and sewer facility loans, \$230,000,000; community facility loans, \$375,000,000, of which \$75,000,000 shall be for guaranteed loans; and guaranteed industrial development loans, \$200,000,000: Provided further, That none of the funds made available in this Act may be used to make transfers between the above limitations.

Justification for Investment Proposal

This language supports the Administration's effort to provide economic stimulus through investment in improving the national infrastructure.

Rural Development Administration
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS
1992 and Estimated 1993 and 1994

Rural Development Insurance Fund
Water and Waste Disposal Loan Program - Direct

	1992 Amount	1993 Amount	1994 Amount
Alabama.....	4,370,400	14,979,000	20,671,020
Alaska.....	1,700,000	1,034,000	1,426,920
Arizona.....	3,610,000	3,500,000	4,830,000
Arkansas.....	14,559,900	10,909,000	15,054,420
California.....	31,999,580	15,698,000	21,663,240
Colorado.....	5,115,300	4,086,000	5,638,680
Connecticut.....	7,130,000	4,503,000	6,214,140
Delaware.....	132,700	1,363,000	1,880,940
Florida.....	13,976,100	12,474,000	17,214,120
Georgia.....	15,764,400	18,866,000	25,960,080
Hawaii.....	--	942,000	1,299,960
Idaho.....	787,900	3,496,000	4,824,480
Illinois.....	9,236,300	14,945,000	20,624,100
Indiana.....	13,367,100	14,108,000	19,469,040
Iowa.....	15,931,440	8,507,000	11,739,660
Kansas.....	8,623,000	5,746,000	7,929,480
Kentucky.....	31,430,900	17,604,000	24,218,520
Louisiana.....	14,750,900	13,079,000	18,049,020
Maine.....	22,549,000	4,791,000	6,611,580
Maryland.....	6,417,600	5,985,000	8,259,300
Massachusetts.....	14,601,500	6,665,000	9,197,700
Michigan.....	20,269,000	20,516,000	28,237,080
Minnesota.....	19,473,600	9,499,000	13,108,620
Mississippi.....	9,320,700	15,414,000	21,271,320
Missouri.....	13,534,700	12,472,000	17,211,360
Montana.....	734,650	2,948,000	4,068,240
Nebraska.....	4,046,900	4,314,000	5,953,320
Nevada.....	1,066,200	797,000	1,099,860
New Hampshire.....	1,041,800	3,014,000	4,159,320
New Jersey.....	15,577,800	5,771,000	7,963,980
New Mexico.....	2,793,100	3,416,000	4,714,080
New York.....	36,841,700	22,553,000	31,123,140
North Carolina.....	27,489,000	26,352,000	36,290,760
North Dakota.....	2,364,900	2,703,000	3,730,140
Ohio.....	20,025,000	21,287,000	29,301,060
Oklahoma.....	4,004,800	8,152,000	11,249,760
Oregon.....	7,918,800	6,445,000	8,894,100
Pennsylvania.....	37,712,000	26,933,000	37,167,540
Rhode Island.....	1,000,000	906,000	1,250,280
South Carolina.....	25,079,000	12,921,000	17,830,980
South Dakota.....	3,435,100	3,358,000	4,634,040
Tennessee.....	18,323,500	16,996,000	23,454,480
Texas.....	24,757,800	25,195,000	34,694,100
Utah.....	612,600	1,699,000	2,344,620
Vermont.....	14,398,000	2,594,000	3,579,720
Virginia.....	15,618,800	13,972,000	19,281,360
Washington.....	8,450,730	7,972,000	11,001,360
West Virginia.....	12,656,000	10,694,000	14,757,720
Wisconsin.....	9,753,800	11,434,000	15,703,920
Wyoming.....	--	1,160,000	1,600,800
Puerto Rico.....	5,646,000	27,093,000	37,313,340
Trust Territories..	--	570,000	786,600
Virgin Islands....	--	570,000	786,600
Regions Reserve....	--	27,000,000	37,260,000
Natl. Ofc. Reserve	--	60,000,000	82,800,000
Undistributed.....	--	35,500,000 a/	48,990,000
Total Avail./Est...	600,000,000	635,500,000 b/	876,390,000 c/

a/ Authorized \$35,500,000 by the Emergency Supplemental Appropriation Act P. L. 102-368, dated September 23, 1992, to provide assistance to distressed communities as a result of natural disasters, available through September 30, 1993.

b/ Excludes Stimulus Proposal.

c/ Includes Investment Proposal.

Rural Development Administration
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS
1992 and Estimated 1993 and 1994

Rural Development Insurance Fund
Water and Waste Disposal Loan Program - Guaranteed

	1992 Amount	1993 Amount	1994 Amount
	<hr/>	<hr/>	<hr/>
Arkansas.....	55,000	--	--
California.....	88,100	--	--
Iowa.....	137,000	--	--
Kentucky.....	8,900	--	--
Louisiana.....	186,000	--	--
Mississippi.....	3,000,000	--	--
North Carolina....	110,000	--	--
Tennessee.....	750,000	--	--
Texas.....	60,000	--	--
Washington.....	215,000	--	--
	<hr/>	<hr/>	<hr/>
Total Avail./Est...	4,610,000	35,000,000 a/	35,945,000 a/

a/ Cannot be distributed by geographic area in advance.

Rural Development Administration
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS
1992 and Estimated 1993 and 1994

Rural Development Insurance Fund
Community Facility Loan Program - Direct

	1992 Amount	1993 Amount	1994 Amount
Alabama.....	2,428,000	2,454,000	9,546,060
Alaska.....	57,000	328,000	1,327,170
Arizona.....	--	573,000	2,280,220
Arkansas.....	1,390,000	1,787,000	6,951,430
California.....	4,205,000	2,571,000	10,001,190
Colorado.....	814,500	669,000	2,653,660
Connecticut.....	2,672,900	738,000	2,870,820
Delaware.....	250,000	328,000	1,275,920
Florida.....	2,984,700	2,043,000	7,947,270
Georgia.....	2,240,700	3,090,000	12,020,100
Hawaii.....	--	328,000	1,327,170
Idaho.....	361,900	573,000	2,228,970
Illinois.....	2,132,400	2,448,000	9,522,720
Indiana.....	1,834,100	2,311,000	8,989,790
Iowa.....	1,461,500	1,393,000	5,418,770
Kansas.....	1,247,600	941,000	3,660,490
Kentucky.....	3,972,000	2,884,000	11,218,760
Louisiana.....	2,545,700	2,142,000	8,332,380
Maine.....	6,457,000	785,000	3,053,650
Maryland.....	1,064,700	980,000	3,812,200
Massachusetts.....	2,399,000	1,092,000	4,247,880
Michigan.....	5,784,940	3,361,000	13,074,290
Minnesota.....	2,253,950	1,556,000	6,052,840
Mississippi.....	2,391,700	2,525,000	9,822,250
Missouri.....	2,527,700	2,043,000	7,947,270
Montana.....	--	483,000	1,878,870
Nebraska.....	1,035,000	707,000	2,750,230
Nevada.....	150,000	328,000	1,327,170
New Hampshire.....	1,556,640	494,000	1,921,660
New Jersey.....	1,588,400	945,000	3,676,050
New Mexico.....	--	559,000	2,174,510
New York.....	4,354,700	3,694,000	14,369,660
North Carolina.....	4,201,000	4,317,000	16,793,130
North Dakota.....	--	443,000	1,723,270
Ohio.....	4,647,500	3,487,000	13,564,430
Oklahoma.....	--	1,335,000	5,193,150
Oregon.....	1,600,000	1,056,000	4,107,840
Pennsylvania.....	2,985,500	4,409,000	17,151,010
Rhode Island.....	600,000	328,000	1,327,170
South Carolina.....	2,307,900	2,116,000	8,231,240
South Dakota.....	2,066,300	550,000	2,139,500
Tennessee.....	3,053,000	2,784,000	10,829,760
Texas.....	1,887,500	4,127,000	16,054,030
Utah.....	--	328,000	1,327,170
Vermont.....	1,539,000	425,000	1,653,250
Virginia.....	3,609,070	2,289,000	8,904,210
Washington.....	2,420,000	1,306,000	5,080,340
West Virginia.....	1,957,500	1,752,000	6,815,280
Wisconsin.....	--	1,873,000	7,285,970
Wyoming.....	--	328,000	1,327,170
Puerto Rico.....	4,964,000	4,438,000	17,263,820
Virgin Islands.....	--	328,000	1,275,920
Trust Territories..	--	328,000	1,275,920
Regions Reserve..	--	4,500,000	17,505,000
Natl. Ofc. Reserve	--	10,000,000	38,900,000
Total Avail./Est...	100,000,000	100,000,000	389,410,000 a/

a/ Includes Investment Proposal.

Rural Development Administration
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS
1992 and Estimated 1993 and 1994

Rural Development Insurance Fund
Community Facility Loan Program - Guaranteed

	1992 Amount	1993 Amount	1994 Amount
Alabama.....	--	2,320,000	1,740,000
Alaska.....	--	665,000	498,750
Arizona.....	--	665,000	498,750
Arkansas.....	--	1,689,000	1,266,750
California.....	577,500	2,431,000	1,823,250
Colorado.....	--	665,000	498,750
Connecticut.....	--	697,000	522,750
Delaware.....	--	665,000	498,750
Florida.....	386,000	1,932,000	1,449,000
Georgia.....	--	2,921,000	2,190,750
Hawaii.....	--	665,000	498,750
Idaho.....	--	665,000	498,750
Illinois.....	--	2,314,000	1,735,500
Indiana.....	--	2,185,000	1,638,750
Iowa.....	40,000	1,317,000	987,750
Kansas.....	--	890,000	667,500
Kentucky.....	260,000	2,726,000	2,044,500
Louisiana.....	100,000	2,025,000	1,518,750
Maine.....	559,200	742,000	556,500
Maryland.....	1,810,160	927,000	695,250
Massachusetts.....	4,400,000	1,032,000	774,000
Michigan.....	2,250,000	3,177,000	2,382,750
Minnesota.....	950,000	1,471,000	1,103,250
Mississippi.....	--	2,387,000	1,790,250
Missouri.....	1,625,000	1,931,000	1,448,250
Montana.....	--	665,000	498,750
Nebraska.....	1,633,000	668,000	501,000
Nevada.....	--	665,000	498,750
New Hampshire.....	3,208,560	665,000	498,750
New Jersey.....	--	894,000	670,500
New Mexico.....	56,180	665,000	498,750
New York.....	4,600,000	3,492,000	2,619,000
North Carolina.....	--	4,081,000	3,060,750
North Dakota.....	--	665,000	498,750
Ohio.....	500,000	3,296,000	2,472,000
Oklahoma.....	--	1,262,000	946,500
Oregon.....	300,000	998,000	748,500
Pennsylvania.....	--	4,170,000	3,127,500
Rhode Island.....	--	665,000	498,750
South Carolina.....	80,900	2,001,000	1,500,750
South Dakota.....	31,000	665,000	498,750
Tennessee.....	--	2,632,000	1,974,000
Texas.....	384,500	3,902,000	2,926,500
Utah.....	--	665,000	498,750
Vermont.....	63,000	665,000	498,750
Virginia.....	--	2,164,000	1,623,000
Washington.....	--	1,234,000	925,500
West Virginia.....	375,000	1,656,000	1,242,000
Wisconsin.....	810,000	1,771,000	1,328,250
Wyoming.....	--	665,000	498,750
Puerto Rico.....	--	4,195,000	3,146,250
Trust Territories..	--	665,000	498,750
Virgin Islands.....	--	665,000	498,750
Regions Reserve...	--	4,500,000	3,375,000
Natl. Ofc. Reserve	--	10,000,000	7,500,000
Total Avail./Est...	25,000,000	100,000,000	75,000,000 a/

a/ Includes Investment Proposal.

Rural Development Administration
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS
1992 and Estimated 1993 and 1994

Rural Development Insurance Fund
Business and Industrial Development Loan Program - Guaranteed

	1992 Amount	1993 Amount	1994 Amount
Alabama.....	--	2,464,000	1,823,000
Alaska.....	--	475,000	352,000
Arizona.....	1,373,000	667,000	494,000
Arkansas.....	1,500,000	1,805,000	1,336,000
California.....	1,686,300	2,654,000	1,964,000
Colorado.....	425,000	618,000	457,000
Connecticut.....	500,000	610,000	451,000
Delaware.....	--	475,000	352,000
Florida.....	2,000,000	2,794,000	2,068,000
Georgia.....	7,540,440	2,851,000	2,110,000
Hawaii.....	--	475,000	352,000
Idaho.....	--	577,000	427,000
Illinois.....	4,400,000	2,942,000	2,177,000
Indiana.....	--	2,530,000	1,872,000
Iowa.....	--	1,319,000	976,000
Kansas.....	650,000	791,000	585,000
Kentucky.....	2,675,000	3,082,000	2,281,000
Louisiana.....	3,710,700	2,307,000	1,707,000
Maine.....	11,522,500	808,000	598,000
Maryland.....	--	874,000	647,000
Massachusetts.....	2,750,000	849,000	628,000
Michigan.....	7,492,000	3,346,000	2,476,000
Minnesota.....	3,234,000	1,656,000	1,225,000
Mississippi.....	1,108,000	2,505,000	1,854,000
Missouri.....	1,224,500	1,970,000	1,458,000
Montana.....	--	527,000	390,000
Nebraska.....	2,726,000	585,000	433,000
Nevada.....	--	475,000	352,000
New Hampshire.....	4,650,000	475,000	352,000
New Jersey.....	--	1,203,000	890,000
New Mexico.....	--	651,000	482,000
New York.....	1,810,000	3,362,000	2,488,000
North Carolina.....	2,934,750	4,112,000	3,043,000
North Dakota.....	3,497,550	475,000	352,000
Ohio.....	1,725,000	3,337,000	2,469,000
Oklahoma.....	--	1,475,000	1,092,000
Oregon.....	--	1,137,000	841,000
Pennsylvania.....	920,000	4,137,000	3,061,000
Rhode Island.....	--	475,000	352,000
South Carolina.....	2,619,000	1,994,000	1,476,000
South Dakota.....	1,150,000	475,000	352,000
Tennessee.....	3,770,000	2,818,000	2,085,000
Texas.....	2,755,000	3,675,000	2,720,000
Utah.....	--	475,000	352,000
Vermont.....	--	475,000	352,000
Virginia.....	820,000	1,994,000	1,476,000
Washington.....	4,950,000	1,549,000	1,146,000
West Virginia.....	7,021,000	1,945,000	1,439,000
Wisconsin.....	1,354,600	1,895,000	1,402,000
Wyoming.....	1,999,500	558,000	413,000
Puerto Rico.....	1,500,000	2,909,000	2,153,000
Trust Territories..	--	475,000	352,000
Virgin Islands.....	--	475,000	352,000
Reserve.....	--	14,418,000	10,963,000
Undistributed.....	--	305,000,000 a/	225,700,000
Total Avail./Est...	99,993,840	405,000,000	300,000,000 b/

a/ Authorized 305,000,000 by the Emergency Supplemental Appropriation Act, P. L. 102-368, dated September 23, 1992, to provide assistance to distressed communities as a result of natural disasters, available through September 30, 1993.

b/ Includes Investment Proposal.

RURAL DEVELOPMENT ADMINISTRATION

The 1994 Budget Estimates include proposed changes in the language of this item as follows (new language underscored; deleted matter enclosed in brackets):

Rural Development Loan Fund Program Account:

For the cost of direct loans [\$18,616,000] \$19,119,000, as authorized by the Rural Development Loan Fund (42 U.S.C. 9812(a)): Provided, That such cost, including the cost of modifying such loans, shall be as defined in section 502 of the Congressional Budget Act of 1974: Provided further, That such sums are to remain available through fiscal year 2001 for the disbursement of loans obligated in fiscal year 1994: Provided further, That these funds are available to subsidize gross obligations for the principal amount of direct loans of not to exceed [\$32,500,000] \$34,141,000.

In addition, for administrative expenses necessary to carry out the direct loan programs, [\$529,000] \$2,507,000.

Rural Development Loan Fund Program Account

(On basis of loan level, subsidy, and administrative expenses)

	<u>Loan Level</u>	<u>Subsidy</u>	<u>Administrative Expenses</u>
Appropriations Act, 1993.....	\$32,500,000	\$18,616,000	\$529,000
Budget Estimate, 1994.....	<u>34,141,000</u>	<u>19,119,000</u>	<u>2,507,000</u>
Increase in Appropriation.....	1,641,000	503,000	1,978,000
	=====	=====	=====

PROJECT STATEMENT

On basis of appropriated loan levels, subsidies, and administrative expenses
(In thousands of dollars)

Item of change	1992 Actual		1993 Appropriations		Increase or Decrease		1994 Estimated	
	Loan Level	Subsidy	Loan Level	Subsidy	Loan Level	Subsidy	Loan Level	Subsidy
Intermediary Relending Program:								
Direct loans.....	\$32,500	\$16,164	\$32,500	\$18,616	\$1,641 (1)	\$503 (2)	\$34,141	\$19,119
Total:								
Direct Loans and Subsidies.....	\$32,500	\$16,164	\$32,500	\$18,616	\$1,641	\$503	\$34,141	\$19,119
1992 Supplemental Act Carryover.....	0	0	15,500	8,104	-15,500	-8,104	0	0
Investment Proposal.....	0	0	0	0	140,446	78,650	140,446	78,650
Total President's Budget.....	\$32,500	\$16,164	\$48,000	\$26,720	\$126,587	\$71,049	\$174,587	\$97,769
Administrative expenses a/.....	689	0	529	0	1,978 (3)	0	2,507	0

Staff-years are reflected in the Salaries and Expense Project Statement.

a/ The FY 1992 estimate of administrative expense is not comparable to the FY 1993 and FY 1994 estimates. In FY 1992, the entire \$689,000 was transferred to FmHA Salaries and Expenses. Of the \$529,000 administrative expenses in FY 1993 and \$2,507,000 in FY 1994, \$524,000 and \$2,502,000 will be respectively obligated for RDA Salaries and Expenses and \$5,000 will be for obligations of program-related nonrecoverable cost.

PROJECT STATEMENT

(On basis of 1993 loan levels and subsidies supportable
under the 1993 Appropriations Act)
(In thousands of dollars)

Item of change	1993 Appropriated	Increase or Decrease	1993 Current Estimate
	Loan Level : Subsidy	Loan Level : Subsidy	Loan Level : Subsidy
Intermediary Relending Program:			
Direct loans.....	\$32,500 : \$18,616 :	\$0 : \$-140 :	\$32,500 : \$18,476
Total:			
Direct loans and subsidies	\$32,500 : \$18,616 :	\$0 : \$-140 :	\$32,500 : \$18,476
1992 Supplemental Act Carryover.....	15,500 : 8,104 :	-1,245 : 0 :	14,255 : 8,104
Total President's Budget.....	48,000 : 26,720 :	-1,245 : -140 :	46,755 : 26,580

Staff-years are reflected in the Salaries and Expense Project Statement.

Note: Loan levels are reduced because the subsidy rate has increased and cannot support the appropriated loan level. Subsidy amounts are reduced because the subsidy rate has decreased and the appropriated loan level does not require the entire appropriated subsidy.

EXPLANATION OF PROGRAM

As required by Title XIII, section 13201, of the Omnibus Budget Reconciliation Act of 1990, this account records the subsidy costs associated with the direct loan obligations of this program in FY 1992 and beyond. Subsidy amounts are obtained by estimating the net present value of the Government's cash flows resulting from direct loans made through this account. For the requested FY 1994 loan level of \$34,141,000, the associated lifetime subsidy is estimated to be \$19,119,000. Corresponding administrative expenses and staff-years are justified in the Salaries and Expenses Project Statement.

Loans will be made to intermediary borrowers (i.e. small investment groups) who in turn will relend the funds to rural businesses, community development corporations, private nonprofit organizations, etc. for the purpose of improving business, industry, community facilities, and employment opportunities and diversification of the economy in rural areas.

JUSTIFICATION OF INCREASE

- (1) An increase of \$1,641,000 in the intermediary relending program loan level (\$32,500,000 available in FY 1993).

Need for Change. The increased program level will aid in the support of the Rural Development Initiative.

Nature of Change. The program level will provide 36 loans to intermediary relenders in FY 1994, which is the same as in FY 1993.

- (2) An increase of \$503,000 in the rural development direct loan subsidy (\$18,616,000 available in FY 1993).

Need for Change. This estimated subsidy amount is necessary to support the direct loan obligations associated with the requested FY 1994 loan level, under the provisions of the Omnibus Budget Reconciliation Act of 1990.

- (3) An increase of \$1,978,000 in administrative expenses (\$529,000 available in FY 1993).

Justification for administrative expenses in the amount of \$1,523,000 and the associated staff-years are reflected in the Salaries and Expenses Project Statement, since that amount will be transferred to the Salaries and Expenses Account. The balance of \$5,000 will be retained by the program account for obligation of program related, nonrecoverable costs.

Rural Development Loan Fund Program Account
Summary of Investment Proposal

SUMMARY OF INCREASE - INVESTMENT PROPOSAL
(Dollars in thousands)

Item of Change	FY 1994					
	Base Request		Investment Proposal		Total Request	
	Program	Subsidy	Program	Subsidy	Program	Subsidy
Intermediary relending	:	:	:	:	:	:
program direct loans...	\$34,141	\$19,119	\$140,446	\$78,650	\$174,587	\$97,769

Explanation of Investment Proposal

The additional funding would provide increased assistance to rural businesses. These funds would be used to develop small businesses. This increased funding will assist rural business in securing start-up capital and financing for expansion, creating jobs and helping to diversify the rural economy. The increased funding will provide for an additional 147 loans.

Proposed Language

In addition to amounts already available under this heading, and subject to the same terms and conditions, for the cost of direct loans \$78,650,000, as authorized by the Rural Development Loan Fund: Provided, That such cost, including the cost of modifying such loans, shall be as defined in section 502 of the Congressional Budget Act of 1974: Provided further, That such sums are to remain available through fiscal year 2001 for disbursement of loans obligated in fiscal year 1994: Provided further, That these funds are available to subsidize gross obligations for the principal amount of direct loans of not to exceed \$140,446,000.

Justification of Investment Proposal

This language supports the Administration's effort to provide economic stimulus through investment in improving the national infrastructure.

Rural Development Administration
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS
1992 and Estimated 1993 and 1994

Rural Development Loan Fund
Intermediary Relending Program Loans

	1992 Amount	1993 Amount	1994 Amount
	<hr/>	<hr/>	<hr/>
California.....	2,400,000	--	--
Georgia.....	2,000,000	--	--
Idaho.....	500,000	--	--
Illinois.....	2,000,000	--	--
Iowa.....	1,000,000	--	--
Kansas.....	1,250,000	--	--
Kentucky.....	750,000	--	--
Maine.....	1,940,000	--	--
Maryland.....	2,540,000	--	--
Massachusetts.....	1,000,000	--	--
Minnesota.....	1,300,000	--	--
Nevada.....	1,000,000	--	--
New Mexico.....	200,000	--	--
New York.....	500,000	--	--
North Carolina.....	3,200,000	--	--
Oklahoma.....	500,000	--	--
Pennsylvania.....	1,500,000	--	--
South Carolina.....	2,575,000	--	--
South Dakota.....	1,000,000	--	--
Tennessee.....	3,845,000	--	--
Washington.....	1,500,000	--	--
	<hr/>	<hr/>	<hr/>
Total Avail./Est...	32,500,000	48,000,000 a/ b/	180,373,000 a/ c/

a/ Cannot be distributed by geographic area in advance.

b/ Includes \$15,500,000 authorized by the Dire Emergency Supplemental Appropriation Act, P.L. 102-368, dated September 23, 1992, to provide assistance to distressed communities as a result of natural disasters.

c/ Includes Investment Proposal.

RURAL DEVELOPMENT ADMINISTRATION

The 1994 Budget Estimates include proposed changes in the language of this item as follows (new language underscored; deleted matter enclosed in brackets):

Rural Water and Waste Disposal Grants:

For grants pursuant to section[s] 306(a)(2) [and 306(a)(6)] of the Consolidated Farm and Rural Development Act, as amended (7 U.S.C. 1926), [~~\$390,000,000~~] \$400,530,000, to remain available until expended, pursuant to section 306(d) of the above Act: Provided, That of this amount, \$25,000,000 shall be available for water and waste disposal systems to benefit the Colonias along the U.S./Mexican border, including grants pursuant to section 306C: Provided further, That, with the exception of the foregoing \$25,000,000, these funds shall not be used for any purpose not specified in section 306(a) of the Consolidated Farm and Rural Development Act.

This change eliminates the language for planning grants which have not been administered for several years.

Rural Water and Waste Disposal Grants

Appropriations Act, 1993.....	\$390,000,000
Budget Request, 1994.....	<u>400,530,000</u>
Increase in Appropriation.....	<u>10,530,000</u>
	=====

PROJECT STATEMENT
(On basis of appropriation)

Project	1992 Actual	1993 Estimated	Increase or Decrease	1994 Estimated
Rural water & waste disposal grants:				
Water supply.....	\$198,095,049	\$205,605,960	\$4,165,098	\$209,771,058
Waste disposal.....	133,855,457	138,930,680	4,596,886	143,527,566
Combination - water & waste disposal....	12,682,494	13,163,360	1,557,416	14,720,776
Technical assistance grants.....	5,367,000	7,300,000	210,600	7,510,600
Water and waste grants for Colonias.....	0	25,000,000	0	25,000,000
Total Appropriation....	\$350,000,000	\$390,000,000	\$10,530,000 (1)	\$400,530,000
Economic Stimulus.....	0	281,767,000	-281,767,000	
Investment proposal.....	0	0	140,000,000	140,000,000
Total President's Budget.....	\$350,000,000	\$671,767,000	\$-131,237,000	\$540,530,000
				=====

The preceding tabulation is based on amounts included in appropriation acts. The following tabulation shows estimated obligations on an available funds basis, including balances brought forward from prior years.

PROJECT STATEMENT
(On basis of obligations under available funds)

Project	1992 Estimated	1993 Estimated	Increase or Decrease	1994 Estimated
Rural water & waste disposal grants:				
Water supply.....	\$200,559,830	\$221,954,514	\$-12,183,456	\$209,771,058
Waste disposal.....	135,541,670	149,977,616	-6,450,050	143,527,566
Combination - water & waste disposal.....	12,837,800	14,210,032	510,744	14,720,776
Technical assistance grants.....	5,367,000	7,300,000	210,600	7,510,600
Water and waste grants for Colonias.....	0	25,000,000	0	25,000,000
Total Obligations.....	\$354,306,300	\$418,442,162	\$-17,912,162	\$400,530,000
Recovery of prior year obligations.....	-6,548,193	0	0	0
Unobligated balance available, start of year.....	-600,269	-28,442,162	28,442,162	0
Unobligated balance available, end of year.....	28,442,162	0	0	0
Total adjusted appropriation.....	\$375,600,000	\$390,000,000	\$10,530,000	\$400,530,000
Economic Stimulus.....	0	281,767,000	-281,767,000	0
Investment proposal.....	0	0	140,000,000	140,000,000
Total President's Budget.....	\$375,600,000	\$671,767,000	\$-131,237,000	\$540,530,000

Staff-years are reflected in the Salaries and Expenses Project Statement.

EXPLANATION OF PROGRAM

Section 306 of the Consolidated Farm and Rural Development Act, as amended, provides appropriation authority for grants for the development costs of water and waste disposal projects in rural areas.

Development grants may be made to associations, including corporations operating on a nonprofit basis, municipalities, authorities, districts, certain Indian tribes, and similar organizations generally designated as public or quasi-public agencies, that propose projects for development of storage, treatment, purification, or distribution of domestic water or the collection, treatment, or disposal of waste in rural areas. Grants may be made to assist eligible applicants to pay for part of the development cost of such projects if necessary to reduce user charges to a reasonable level. In addition, grants may be made to private nonprofit organizations that have experience in providing technical assistance and training for such purposes as assisting in identifying and evaluating alternative solutions to problems relating to water and waste disposal, preparing applications, and improving operation and maintenance practices at existing plants. Combined loans and grants may be made when the applicant is able to repay part, but not all, of the project costs.

Grants also may be made to supplement other funds borrowed or furnished by applicants to pay development costs. An eligible project must serve a rural area which is not likely to decline in population below that for which the project was designed, and it must be designed and constructed so that adequate capacity will be or can be made available to serve the reasonably foreseeable growth needs of the area.

Water and waste disposal grants may not exceed 75 percent of the development cost of the project. The development cost may include the cost of construction of the proposed facility including rights-of-way, land rights, water rights, engineering fees, and legal fees.

JUSTIFICATION OF DECREASE

- (1) An increase of \$10,530,000 for rural water and waste disposal grants (\$390,000,000 available in FY 1993).

Need for Change. Drinking water and sewage treatment systems serving small, mostly rural populations currently have the highest rates of noncompliance with Federal environmental standards and Safe Drinking Water Act standards. The increased funding will help bring small rural communities into regulatory compliance, improve the rural infrastructure and increase economic development, and improve the quality of rural life and increase employment opportunities in rural areas.

Nature of Change. The requested funding will provide for 693 grants.

Rural Water and Waste Disposal Grants
Summary of Economic Stimulus Proposal

SUMMARY OF INCREASE - ECONOMIC STIMULUS PROPOSAL
(Dollars in thousands)

		FY 1993		
Item of Change	:	Current Estimate	Economic Stimulus	Total Proposal
			Proposal	
Rural water and waste disposal grants.....	:	\$418,442	\$281,767	\$700,209

EXPLANATION OF ECONOMIC STIMULUS PROPOSAL

This supplemental request would provide \$281.8 million in water and sewer grant authority to the Rural Development Administration to meet water and waste water needs in rural America. The increased funding will provide funding for 493 grants.

PROPOSED LANGUAGE

For an additional amount for "Rural water and waste disposal grants", \$281,767,000, to remain available until the end of Fiscal year 1993.

Rural Water and Waste Disposal Grants
Summary of Investment Proposal

SUMMARY OF INCREASE - INVESTMENT PROPOSAL
(Dollars in thousands)

Item of Change	FY 1994		
	Base Request	Investment Proposal	Total Request
Rural water and waste disposal grants.....	\$393,019	\$138,600	\$531,619
Technical assistance grants.....	7,511	1,400	\$8,911
Total Budget	\$400,530	\$140,000	\$540,530

Explanation of Investment Proposal

The additional funding would provide increased assistance to rural communities to meet compliance with Federal water and waste environmental standards. This increased funding will improve rural infrastructure, promote rural economic development, enhance the quality of rural life, and increase employment opportunities in rural areas. The increased funding will provide for an additional 242 grants.

Proposed Language

In addition to amounts already available under this heading, and subject to the same terms and conditions, for grants pursuant to section 306(a)(2) of the Consolidated Farm and Rural Development Act, as amended \$140,000,000, to remain available until expended, pursuant to section 306(d) of the above Act: Provided, That these funds shall not be used for any purpose not specified in section 306(a) of the Consolidated Farm and Rural Development Act.

Justification of Language Proposal

This language supports the Administration's efforts to provide economic stimulus through investment in improving the national infrastructure.

Rural Development Administration
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS
1992 and Estimated 1993 and 1994

Rural Water and Waste Disposal Grant Program

	1992 Amount	1993 Amount	1994 Amount
Alabama.....	8,755,600	7,957,000	10,980,660
Alaska.....	1,900,000	618,000	852,840
Arizona.....	4,023,300	2,092,000	2,886,960
Arkansas.....	8,058,700	6,519,000	8,996,220
California.....	9,862,910	9,381,000	12,945,780
Colorado.....	2,915,200	2,442,000	3,369,960
Connecticut.....	3,408,200	2,691,000	3,713,580
Delaware.....	641,500	815,000	1,124,700
Florida.....	8,172,700	7,454,000	10,286,520
Georgia.....	9,671,700	11,274,000	15,316,124
Hawaii.....	--	563,000	776,940
Idaho.....	1,603,400	2,089,000	2,882,820
Illinois.....	9,034,870	8,931,000	12,324,780
Indiana.....	8,526,900	8,430,000	11,633,400
Iowa.....	6,172,100	5,084,000	7,015,920
Kansas.....	7,160,000	3,434,000	4,738,920
Kentucky.....	13,217,400	10,520,000	14,275,604
Louisiana.....	7,905,000	7,816,000	10,786,080
Maine.....	10,284,000	2,863,000	3,950,940
Maryland.....	3,618,000	3,577,000	4,936,260
Massachusetts.....	3,673,500	3,983,000	5,496,540
Michigan.....	11,987,800	12,260,000	16,676,804
Minnesota.....	12,302,900	5,676,000	7,832,880
Mississippi.....	9,312,800	9,211,000	12,711,180
Missouri.....	7,565,300	7,453,000	10,285,140
Montana.....	870,720	1,762,000	2,431,560
Nebraska.....	2,607,000	2,578,000	3,557,640
Nevada.....	1,713,800	476,000	656,880
New Hampshire.....	1,066,000	1,801,000	2,485,380
New Jersey.....	6,335,000	3,449,000	4,759,620
New Mexico.....	2,550,600	2,041,000	2,816,580
New York.....	16,503,100	13,478,000	18,357,644
North Carolina.....	15,988,200	15,748,000	21,490,244
North Dakota.....	1,634,000	1,615,000	2,228,700
Ohio.....	12,866,000	12,721,000	17,312,984
Oklahoma.....	10,866,900	4,872,000	6,723,360
Oregon.....	4,159,900	3,851,000	5,314,380
Pennsylvania.....	20,079,000	16,095,000	21,969,104
Rhode Island.....	58,900	3,381,000	4,665,780
South Carolina.....	7,809,000	7,721,000	10,654,980
South Dakota.....	2,989,500	2,007,000	2,769,660
Tennessee.....	11,443,500	10,157,000	14,016,660
Texas.....	15,228,000	15,056,000	20,535,284
Utah.....	1,266,500	1,015,000	1,400,700
Vermont.....	1,715,000	1,550,000	2,139,000
Virginia.....	9,945,000	8,349,000	11,279,624
Washington.....	4,869,900	4,764,000	6,574,320
West Virginia.....	7,089,600	6,390,000	8,818,200
Wisconsin.....	6,429,100	6,833,000	9,429,540
Wyoming.....	2,300,000	693,000	956,340
Puerto Rico.....	16,148,300	16,190,000	22,100,204
Trust Territories..	--	475,000	655,500
Virgin Islands....	--	475,000	655,500
Regions Reserve...	--	16,096,000	22,212,480
Natl. Ofc. Reserve.	--	35,770,000	49,362,600
Technical Assistance	--	7,300,000	10,074,000
Undistributed.....	--	25,600,000 a/	35,328,000
Colonias.....	--	25,000,000	--
Economic Stimulus...	--	281,767,000	--
Total Avail./Est...	354,306,300	700,209,000 b/	540,530,000 c/

a/ Authorized \$25,600,000 by the Dire Emergency Supplemental Appropriation Act, P.L. 102-368, dated September 23, 1992, to provide assistance to distressed communities as a result of natural disasters, available through September 30, 1993.

b/ Excludes Stimulus Proposal.

c/ Includes Investment Proposal.

RURAL DEVELOPMENT ADMINISTRATION

The 1994 Budget Estimates include proposed language for this item as follows (new language underscored; deleted matter enclosed in brackets):

Rural Development Grants:

For grants authorized under section 310B(c) and 310B(j) (7 U.S.C. 1932 of the Consolidated Farm and Rural Development Act to any qualified public or private nonprofit organization, [\$20,750,000: Provided, That \$500,000 shall be available for grants to qualified nonprofit organizations to provide technical assistance and training for rural communities needing improved passenger transportation systems or facilities in order to promote economic development: Provided further, That \$2,000,000 shall be available for grants to statewide private, nonprofit public television systems in predominately rural States to provide information and services on rural economics and agriculture: Provided further, That grants made to or to be made to these television systems during fiscal years 1990 through 1992 under the Consolidated Farm and Rural Development Act shall for all purposes be deemed to have been made pursuant to section 310B(j) of such Act: Provided further, That amounts made available under this heading in fiscal year 1992 shall be available in fiscal year 1993] \$21,310,000.

This change eliminates language which unduly restricts the Agency's capability in carrying out rural development initiatives and further deletes language that authorizes carryover of prior year funding. The Agency anticipates obligating all available funds in FY 1993.

Rural Development Grants

Appropriations Act, 1993.....	\$20,750,000
Budget Estimate, 1994.....	<u>21,310,000</u>
Increase in Appropriation.....	<u>\$ 560,000</u>
	=====

PROJECT STATEMENT
(On basis of appropriation)

Project	1992 Actual	1993 Estimated	Increase or Decrease	1994 Estimated
Rural development grants:				
Rural business enterprise...	\$20,750,000	\$18,750,000	\$2,560,000	\$21,310,000
Television demonstration...	0	2,000,000	-2,000,000	0
Total appropriation.....	20,750,000	20,750,000	560,000 (1)	21,310,000
Investment Proposal.....	0	0	30,000,000	30,000,000
Total President's Budget...	20,750,000	20,750,000	30,560,000	51,310,000
				=====

Staff-years are reflected on the Salaries and Expenses Project Statement.

EXPLANATION OF PROGRAM

The rural enterprise grant program is authorized under section 310B(c) of the Consolidated Farm and Rural Development Act, as amended. Grants may be made to any qualified public or private nonprofit organization for measures designed to finance and facilitate development of small and emerging business enterprises or the creation, expansion, and operation of rural learning programs that provide educational instruction or job training instruction related to potential employment or job advancement to adult students. Grants are available for: (1) the development, construction or acquisition of land, buildings, plants, equipment, access streets and roads, parking areas, utility extensions, necessary water supply and waste disposal facilities, technical assistance, necessary start up capital, establishment of revolving loan funds, refinancing, services and fees and (2) to qualified nonprofit organizations for the provision of technical assistance and training to rural communities for the purpose of improving passenger transportation services or facilities to include on-site technical assistance to local and regional governments, public transit agencies, and related nonprofit and for-profit organizations in rural areas, the development of training materials, and the provision of necessary training assistance to local officials and agencies in rural areas.

The television demonstration grant program is authorized under section 310B(j) of the Consolidated Farm and Rural Development Act, as amended. Grants may be made to statewide private nonprofit public television systems, whose coverage is predominately rural, for the purpose of demonstrating the effectiveness of such systems in providing information on agriculture and other issues of importance to farmers and other rural areas. Grants may be used for capital equipment, expenditures, start-up and program cost, and other cost necessary to the operation of such demonstrations. Total grants may not exceed \$50,000,000.

JUSTIFICATION OF INCREASE

- (1) An increase of \$560,000 for the rural development grants (\$20,750,000 available in FY 1993).

Need for Change. The requested funding is needed to support the Rural Development Initiative for stimulating economic development and job creation in rural areas. These grants are made in small communities and economically distressed areas lacking access to capital.

Nature of Change. The requested funding will provide 142 grants, which is the same as in FY 1993.

Rural Development Grants
Summary of Investment Proposal

SUMMARY OF INCREASE - INVESTMENT PROPOSAL
(Dollars in thousands)

		FY 1994		
Item of Change	:	Base Request	: Investment Proposal:	Total Request
Rural Development Grants:		\$21,310	: \$30,000 :	\$51,310

Explanation of Investment Proposal

These grants will increase funding to assist rural business in securing start-up capital and financing for expansion, creating jobs and helping to diversify the rural economy. These investments would provide increased employment opportunities for rural individuals and increased economic development for rural communities. The increased funding will provide for an additional 200 grants.

Proposed Language

In addition to the amounts already available under this heading, and subject to the same terms and conditions, \$30,000,000 for grants authorized under section 310B(c) and 310B(j) of the Consolidated Farm and Rural Development Act to any qualified public or private nonprofit organization.

Justification for Investment Proposal

This language supports the Administration's effort to provide economic stimulus through investment in improving the nations infrastructure.

Rural Development Administration
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS
1992 and Estimated 1993 and 1994

	Rural Development Grants		
	1992 Amount	1993 Amount	1994 Amount
Alabama.....	130,000	--	--
Alaska.....	77,000	--	--
Arkansas.....	700,000	--	--
California.....	416,000	--	--
Colorado.....	248,400	--	--
Connecticut.....	119,000	--	--
Florida.....	400,000	--	--
Georgia.....	500,000	--	--
Hawaii.....	250,000	--	--
Idaho.....	193,000	--	--
Illinois.....	445,400	--	--
Indiana.....	374,000	--	--
Iowa.....	59,480	--	--
Kansas.....	400,000	--	--
Kentucky.....	1,617,000	--	--
Louisiana.....	411,200	--	--
Maine.....	227,000	--	--
Maryland.....	695,000	--	--
Massachusetts.....	177,000	--	--
Michigan.....	544,000	--	--
Minnesota.....	352,000	--	--
Mississippi.....	425,200	--	--
Missouri.....	331,000	--	--
Montana.....	235,570	--	--
Nebraska.....	114,000	--	--
Nevada.....	21,000	--	--
New Hampshire.....	75,400	--	--
New Jersey.....	205,600	--	--
New Mexico.....	91,000	--	--
New York.....	718,000	--	--
North Carolina.....	699,000	--	--
North Dakota.....	1,685,500	--	--
Ohio.....	565,000	--	--
Oklahoma.....	266,800	--	--
Oregon.....	171,000	--	--
Pennsylvania.....	1,100,000	--	--
Rhode Island.....	24,000	--	--
South Carolina.....	343,000	--	--
South Dakota.....	105,400	--	--
Tennessee.....	451,000	--	--
Texas.....	668,000	--	--
Utah.....	45,000	--	--
Vermont.....	1,400,000	--	--
Virginia.....	391,000	--	--
Washington.....	800,000	--	--
West Virginia.....	288,050	--	--
Wisconsin.....	303,000	--	--
Wyoming.....	154,000	--	--
Puerto Rico.....	718,000	--	--
Trust Territories..	--	--	--
Virgin Islands.....	20,000	--	--
Total Avail./Est...	20,750,000	20,750,000 a/	51,310,000 a/ b

a/ Cannot be distributed by geographic area in advance.

b/ Includes Investment Proposal.

RURAL DEVELOPMENT ADMINISTRATION

The 1994 Budget Estimates include proposed changes in the language of this item as follows (deleted matter enclosed in brackets):

[Alcohol Fuels Credit Guarantee Program Account]:

[For the cost of guaranteed lines of credit available pursuant to an emergency declaration as provided at section 321 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1961), \$9,000,000, to remain available until expended, but not beyond fiscal year 2009: Provided, That such costs shall be as defined in section 502 of the Congressional Budget Act of 1974: Provided further, That these funds are available to establish a guaranteed line of credit program level of \$30,000,000, to remain available until expended, but not beyond fiscal year 2009, which the Department shall make available for the purpose of purchasing grains or cellulosic materials for the production of alcohol fuels at established cooperative facilities as necessary to meet deliveries under contract: Provided further, That a guarantee fee of one percent shall be paid at the time a guarantee is issued.

In addition, for administrative expenses necessary to carry out the credit guarantee program, \$100,000.]

Alcohol Fuels Credit Guarantee Program Account
(On basis of loan level, subsidy, and administrative expenses)

	<u>Loan Level</u>	<u>Subsidy</u>	<u>Administrative</u>
Appropriations Act, 1993.....	\$30,000,000	\$9,000,000	\$100,000
Budget Estimate, 1994.....	0	0	0
Increase in Appropriation.....	-30,000,000	-9,000,000	-100,000
	=====	=====	=====

PROJECT STATEMENT

(On basis of loan level, subsidy and administrative expense in the Appropriations Act)
(In thousands of dollars)

<u>Project</u>	<u>: 1992 : : Actual :</u>	<u>: 1993 : : Appropriations:</u>	<u>: Decrease :</u>	<u>: 1994 : Estimated</u>
Alcohol Fuels Credit Guaranteed::	:	:	:	:
Guaranteed loans.....	\$0 :	\$30,000 :	\$-30,000 (1):	\$0
Guaranteed loan subsidy.....	0 :	9,000 :	-9,000 (2):	0
Administrative expense.....	0 :	100 :	-100 (3):	0

Staff-years are reflected in the Salaries and Expense Project Statement.

PROJECT STATEMENT
 (On basis of 1993 loan levels and subsidies supportable
 under 1993 Appropriations Act)
 (In thousands of dollars)

Project	: 1993 : Appropriated	: Decrease	: 1993 : Current Estimate
Total:	:	:	:
Guaranteed loans.....	\$30,000	\$-11,273	\$18,727
Guaranteed loan subsidy.....	9,000	0	9,000

Staff-years are reflected in the Salaries and Expense Project Statement.

EXPLANATION OF PROGRAM

The Alcohol Fuels Credit program provides guarantees, pursuant to an emergency declaration, for lines of credit for the purpose of purchasing grains or cellulosic materials for the production of alcohol fuels at established cooperative facilities as necessary to meet deliveries under contract. The percentage of guarantee is 75 percent. All advances under the line of credit must be made within 2 years of the date of the Contract of Guarantee and the final maturity must be within 3 years of the line of credit agreement.

JUSTIFICATION OF DECREASES

- (1) A decrease of \$30,000,000 for alcohol fuels credit guarantee loan level (\$30,000,000 available in FY 1993).

Need for Change. No additional funds are requested in FY 1994. This program is a guaranteed revolving line of credit available only when a Secretarial disaster designation is issued. The FY 1993 appropriated amount will remain available until expended, but not beyond FY 2009.

Nature of Change. No additional funds are requested in FY 1994.

- (2) A decrease of \$9,000,000 in the guaranteed loan subsidy (\$9,000,000 available in FY 1993).

Need for Change. No additional guaranteed loan level is requested in FY 1994, therefore no guaranteed loan subsidy is needed.

- (3) A decrease of \$100,000 in administrative expenses (\$100,000 available in FY 1993).

Need for Change. Since no guaranteed loan level is requested in FY 1994, no administrative expenses will be needed.

GEOGRAPHIC BREAKDOWN OF OBLIGATIONS

Geographic breakdown of estimated obligations of \$18,727,000 for fiscal year 1993 cannot be distributed by geographic area in advance.

RURAL DEVELOPMENT ADMINISTRATION

The 1994 Budget Estimates include proposed language for this item as follows (new language underscored; deleted matter enclosed in brackets):

Emergency Community Water Assistance Grants:

For emergency community water assistance grants as authorized under section 306B (7 U.S.C. 1926b) of the Consolidated Farm and Rural Development Act, [~~\$10,000,000~~] \$10,270,000.

Emergency Community Water Assistance Grants

Appropriations Act, 1993.....	\$10,000,000
Budget Estimate, 1994.....	<u>10,270,000</u>
Increase in Appropriation.....	270,000
	=====

PROJECT STATEMENT

(On basis of adjusted appropriation and
on basis of obligations under available funds)

Project	1992 Actual	1993 Estimated	Increase or Decrease	1994 Estimated
Emergency community water assistance grants:				
Section 306A.....	0	\$15,400,000	\$-15,400,000	0
Section 306B.....	<u>\$10,000,000</u>	<u>10,000,000</u>	<u>270,000</u>	<u>\$10,270,000</u>
Total Obligations.....	10,000,000	25,400,000	-15,130,000	10,270,000
Unobligated balance available, start of year..	0	-15,400,000	15,400,000	0
Unobligated balance available, end of year....	<u>15,400,000</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Appropriation.....	<u>25,400,000</u>	<u>10,000,000</u>	<u>270,000 (1)</u>	<u>10,270,000</u>
	=====	=====	=====	=====

Staff-years are reflected on the Salaries and Expenses Project Statement.

EXPLANATION OF PROGRAM

These grant programs are authorized under Section 306A and 306B of the Consolidated Farm and Rural Development Act, as amended (7 U.S.C. 1926(a)) as amended by Title V of the Disaster Assistance Act of 1989, P.L. 101-82 and the Food, Agriculture, Conservation and Trade Act of 1990, P.L. 101-624. Grants are made to public bodies and private nonprofit organizations serving rural areas for the purpose of construction or extension of waterlines, repairs or maintenance of existing systems, replace equipment, and pay cost to correct emergency situations. Grants made to alleviate a significant decline in quantity or quality of water available from the water supplies of rural residents that occurs within two years of filing an application with FmHA may not exceed \$500,000. Grants made for repairs, partial replacement, or significant maintenance on an established system may not exceed \$75,000. Section 306A grants are made to assist any rural area or community with a population in excess of 15,000 inhabitants and Section 306B grants in excess of 5,000 inhabitants. Grants in FY 1992 were originally funded at \$10,000,000 under section 306B, but the FY 1992 Dire Emergency Supplemental Appropriations Bill added \$15,400,000 under section 306A and made them available through FY 1993. New funding in FY 1994 is requested for Section 306B grants only.

Rural Development Administration
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS
1992 and Estimated 1993 and 1994

Emergency Community Water Assistance Grants

	1992 Amount	1993 Amount	1994 Amount
	<u> </u>	<u> </u>	<u> </u>
Alaska.....	200,000	--	--
Arizona.....	798,000	--	--
Arkansas.....	--	--	--
California.....	150,000	--	--
Florida.....	885,350	--	--
Georgia.....	72,840	--	--
Idaho.....	70,000	--	--
Illinois.....	801,000	--	--
Iowa.....	500,000	--	--
Kansas.....	815,000	--	--
Kentucky.....	--	--	--
Louisiana.....	93,000	--	--
Maine.....	--	--	--
Maryland.....	75,000	--	--
Minnesota.....	265,000	--	--
Mississippi.....	--	--	--
Missouri.....	2,174,500	--	--
Nebraska.....	--	--	--
Nevada.....	--	--	--
New Hampshire.....	117,250	--	--
New Mexico.....	--	--	--
New York.....	661,500	--	--
North Dakota.....	--	--	--
Ohio.....	293,000	--	--
Oklahoma.....	--	--	--
Pennsylvania.....	102,650	--	--
South Carolina.....	--	--	--
South Dakota.....	351,600	--	--
Texas.....	723,800	--	--
Utah.....	326,500	--	--
Vermont.....	--	--	--
Virginia.....	75,000	--	--
Washington.....	161,000	--	--
Wisconsin.....	288,000	--	--
Reserve.....	10	--	--
	<u> </u>	<u> </u>	<u> </u>
Total Avail./Est....	10,000,000	25,400,000 a/ b/	10,270,000 a/

a/ Cannot be distributed by geographic area in advance.

b/ Includes 15,400,000 authorized by the Dire Emergency Supplemental Appropriation Act, P.L. 102-368, dated September 23, 1992, to provide assistance to distressed communities as a result of natural disasters, available through Sept 30, 1993.

JUSTIFICATION OF DECREASE

- (1) A increase of \$270,000 for emergency water community assistance grants (\$10,000,000 available in FY 1993).

Need for Change. This additional funding will allow rural communities to improve their water supply infrastructure, which will directly assist rural communities specifically, to meet emergency situations in improving the quality of rural life and increase employment opportunities in rural areas.

Nature of Change. The requested funding will provide for 45 grants, which is the same number as in FY 1993.

RURAL DEVELOPMENT ADMINISTRATION

The 1994 Budget Estimates include proposed language for this item as follows (new language underscored; deleted matter enclosed in brackets):

Solid Waste Management Grants:

For grants for pollution abatement and control projects authorized under section 310B(b) (7 U.S.C. 1932) of the Consolidated Farm and Rural Development Act, [\$3,000,000] \$3,081,000: Provided, That such assistance shall include regional technical assistance for improvement of solid waste management.

Solid Waste Management Grants

Appropriations Act, 1993.....	\$3,000,000
Budget Estimate, 1994.....	<u>3,081,000</u>
Increase in Appropriation.....	81,000
	=====

PROJECT STATEMENT
(On basis of appropriation)

Project	: 1992 : Actual	: 1993 : Estimated	: Increase	: 1994 : Estimated
<u>Solid waste management grants..</u>	<u>\$3,000,000</u>	<u>\$3,000,000</u>	<u>\$81,000</u>	<u>\$3,081,000</u>
	=====	=====	=====	=====

Staff-years are reflected on the Salaries and Expenses Project Statement.

EXPLANATION OF PROGRAM

This grant program is authorized under Section 310B(b) of the Consolidated Farm and Rural Development Act, as amended (7 U.S.C. 1932). Grants are made to nonprofit organizations to provide technical assistance to local and regional governments for the purpose of reducing or eliminating pollution of water resources and for improving the planning and management of solid waste disposal facilities.

JUSTIFICATION OF INCREASE

A increase of \$81,000 for solid waste management grants (\$3,000,000 available in FY 1993).

Need for Change. These funds will help rural communities develop more advanced environmental systems and treatment techniques that will yield greater environmental benefits and improve the quality of life in rural areas.

Nature of Change. The requested funding will provide funding for 26 grants, which is the same as in FY 1993.

Rural Development Administration
 GEOGRAPHIC BREAKDOWN OF OBLIGATIONS
 1992 and Estimated 1993 and 1994

Solid Waste Management Grants

	1992 Amount	1993 Amount	1994 Amount
Arkansas.....	200,560	--	--
Arkansas.....	200,000	--	--
Georgia.....	328,270	--	--
Idaho.....	250,550	--	--
Kentucky.....	18,750	--	--
Maine.....	503,060	--	--
Massachusetts.....	257,690	--	--
Michigan.....	80,000	--	--
Mississippi.....	75,000	--	--
Missouri.....	118,240	--	--
New Hampshire.....	87,880	--	--
New Mexico.....	72,000	--	--
North Dakota.....	330,000	--	--
Oklahoma.....	75,000	--	--
South Carolina.....	20,000	--	--
South Dakota.....	--	--	--
Vermont.....	40,000	--	--
Virginia.....	300,000	--	--
Wisconsin.....	43,000	--	--
Total Avail./Est.	3,000,000	3,000,000 a/	3,081,000 a/

a/ Cannot be distributed in advance.

RURAL DEVELOPMENT ADMINISTRATION

The 1994 Budget Estimates include proposed language for this item as follows (new language underscored; deleted matter enclosed in brackets):

Rural Community Fire Protection Grants:

For grants pursuant to section 7 of the Cooperative Forestry Assistance Act of 1978 (Public Law 95-313), [~~\$3,500,000~~] \$3,595,000 to fund up to 50 per centum of the cost of organizing, training, and equipping rural volunteer fire departments.

Rural Community Fire Protection Grants

Appropriations Act, 1993.....	\$3,500,000
Budget Estimate, 1994.....	<u>3,595,000</u>
Increase in Appropriation.....	95,000
	=====

PROJECT STATEMENT
(On basis of appropriation)

Project	1992 Actual	1993 Estimated	Increase	1994 Estimated
Rural community fire protection grants.....	\$3,362,000	\$3,500,000	\$95,000	3,595,000
Unobligated balance expiring.....	138,000	0	0	0
Total Appropriation.....	3,500,000	3,500,000	95,000 (1)	3,595,000
	=====			

Staff-years are reflected on the Salaries and Expenses Project Statement.

EXPLANATION OF PROGRAM

This assistance was authorized by section 7 of the Cooperative Forestry Assistance Act of 1978 (16 U.S.C. 2106). Grants are made to public bodies to organize, train, and equip local fire-fighting forces, including those of Indian tribes or other native groups, to prevent, control, and suppress fires threatening human lives, crops, livestock, farmsteads or other improvements, pastures, orchards, wildlife, rangeland, woodland, and other resources in rural areas.

JUSTIFICATION OF INCREASE

- (1) An increase of \$95,000 for rural community fire protection grants (\$3,500,000 available in FY 1993).

Need for Change. The funding will provide for increased training of rural fire departments, which will lower insurance cost for rural communities, thereby increasing community development and improving both the quality of rural life and increasing employment opportunities in rural areas.

Nature of Change. The requested funding will provide for 3,507 grants, which is the same as in FY 1993.

RURAL DEVELOPMENT ADMINISTRATION
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS
1992 Actual and Estimated 1993 and 1994

Rural Community Fire Grants

	1992 Amount	1993 Amount	1994 Amount
Alabama.....	54,386	--	--
Alaska.....	77,000	--	--
Arizona.....	53,000	--	--
Arkansas.....	55,510	--	--
California.....	0	--	--
Colorado.....	67,000	--	--
Connecticut.....	25,000	--	--
Delaware.....	7,850	--	--
Florida.....	72,589	--	--
Georgia.....	65,061	--	--
Hawaii.....	50,000	--	--
Idaho.....	41,300	--	--
Illinois.....	132,000	--	--
Indiana.....	91,000	--	--
Iowa.....	119,000	--	--
Kansas.....	119,000	--	--
Kentucky.....	59,780	--	--
Louisiana.....	74,724	--	--
Maine.....	27,000	--	--
Maryland.....	38,000	--	--
Massachusetts.....	22,200	--	--
Michigan.....	97,000	--	--
Minnesota.....	135,640	--	--
Mississippi.....	54,386	--	--
Missouri.....	100,000	--	--
Montana.....	59,800	--	--
Nebraska.....	91,000	--	--
Nevada.....	32,000	--	--
New Hampshire.....	0	--	--
New Jersey.....	38,000	--	--
New Mexico.....	37,000	--	--
New York.....	82,996	--	--
North Carolina.....	77,871	--	--
North Dakota.....	122,100	--	--
Ohio.....	103,000	--	--
Oklahoma.....	58,026	--	--
Oregon.....	56,500	--	--
Pennsylvania.....	104,000	--	--
Rhode Island.....	15,500	--	--
South Carolina.....	50,116	--	--
South Dakota.....	84,000	--	--
Tennessee.....	81,915	--	--
Texas.....	176,050	--	--
Utah.....	40,000	--	--
Vermont.....	21,000	--	--
Virginia.....	53,375	--	--
Washington.....	58,500	--	--
West Virginia.....	34,791	--	--
Wisconsin.....	89,000	--	--
Wyoming.....	27,000	--	--
Puerto Rico.....	14,945	--	--
Trust Territories..	10,000	--	--
Virgin Islands.....	14,945	--	--
Other.....	90,144	--	--
Total, Avail./Est..	3,362,000	3,500,000 1/	3,595,000 1/

1/ Cannot be distributed by geographic area in advance.

RURAL ELECTRIFICATION ADMINISTRATION

Purpose Statement

The Rural Electrification Administration (REA) was established by Executive Order 7037 on May 11, 1935, to provide loan funds to eligible borrowers for the purpose of extending central station electric service to unserved persons in rural areas. Statutory provision for the agency was made in the Rural Electrification (RE) Act of May 20, 1936; and on July 1, 1939, under Reorganization Plan II, REA became a part of the Department of Agriculture. On October 28, 1949, the purpose of REA was expanded by Public Law 423, which amended the Act to authorize loans for furnishing telephone service to rural areas.

Rural Electrification and Telephone Program

Public Law 93-32, enacted May 11, 1973, amended the Rural Electrification Act of 1936, as amended, by establishing a "Rural Electrification and Telephone Revolving Fund" (RETRF) for the purpose of making insured loans to REA electric and telephone borrowers. Loans made under this authority bear either 2 or 5 percent interest in accordance with criteria specified in the Act, and have a maturity not to exceed 35 years. The Act also authorized REA to guarantee loans made by other lenders at rates and terms agreed upon between the lender and the borrower. The Rural Electrification and Telephone Revolving Fund legislation contains the following statement of Congressional intent regarding the REA programs:

" . . . it is hereby declared to be the policy of the Congress that adequate funds should be made available to rural electric and telephone systems through direct, insured and guaranteed loans at interest rates which will allow them to achieve the objectives of the Rural Electrification Act of 1936, as amended; and that such rural electric and telephone systems should be encouraged and assisted to develop their resources and ability to achieve the financial strength needed to enable them to satisfy their credit needs from their own financial organizations and other sources at reasonable rates and terms consistent with the loan applicant's ability to pay and achievement of the Act's objectives."

In October 1976, Public Law 94-570 amended the Act, changing the statutory criteria used in determining eligibility for the special interest rate (2 percent) insured loans. The change in criteria corrected unintended inequities resulting from P.L. 93-32, to bring the number of borrowers eligible for the special rate more in line with Congressional intent and the borrowers' actual needs for loan funds at this rate.

On August 13, 1981, the Omnibus Budget Reconciliation Act, Public Law 97-35, was signed into law to further amend the RE Act. This legislation changed the Act by eliminating the special 2 percent interest rate on insured loans from the RETRF. However, it did provide that the Administrator may make insured loans at a rate less than 5 percent, but not less than 2 percent, if the borrower has experienced extreme financial hardship, or cannot provide service consistent with the objectives of the Act without charging rates so high that a substantial disparity results between such rates and those charged for similar services in the same or nearby areas by other suppliers.

As of September 30, 1992, REA employed a total of 519 full-time permanent employees, 1 part-time permanent employee, and 2 other employees. The field staff consisted of 109 permanent full-time employees located throughout the United States. These employees utilize their homes as their offices. REA maintains no field offices. The Washington staff was composed of 410 full-time permanent, 1 part-time permanent employee and 2 other employees.

Rural Telephone Bank

Public Law 92-12, approved May 7, 1971, amended the Rural Electrification Act of 1936, as amended, to establish the Rural Telephone Bank as a supplemental source of financing for the growing capital needs of rural telephone systems. Public Law 92-324, approved June 30, 1972, further amended the Act to permit the Secretary of the Treasury to purchase the Bank's debentures.

Public Law 93-32 made additional amendments to the Act and provided for Bank borrowing authority of 20 times its paid-in capital and retained earnings. It also required that the Bank charge a single interest rate, based on the average cost of money to the Bank, but not less than 5 percent per annum. Bank loans must be fully amortized over a period not to exceed 50 years. Most loans have been made for a 35-year period.

Public Law 100-203, approved December 22, 1987, authorized the prepayment of Rural Telephone Bank loans at face value without a prepayment premium during fiscal year 1988. The legislation also established a formula for determining interest rates on Rural Telephone Bank loans, defined the interest rate to be considered for purposes of assessing eligibility for loans, and established in the Bank a reserve for losses due to interest rate fluctuations.

The Rural Telephone Bank is managed by a 13-member board of directors. The Bank board holds at least four regularly scheduled meetings a year. Activities of the Bank are carried out by REA and the Office of the General Counsel employees.

Through fiscal year 1991, \$592.1 million in Bank capitalization had been made available through the purchase by the United States of the Rural Telephone Bank's Class A Stock. The RE Act had originally set the maximum Government contribution at \$300 million. The Farm Bill of 1981 amended the RE Act to permit continued Class A Stock purchases in annual amounts not to exceed \$30 million through fiscal year 1991, with total purchases not to exceed \$600 million. This completes the capitalization of the Rural Telephone Bank under current law.

Rural Economic Development

On December 21, 1987, the Omnibus Budget Reconciliation Act of 1987, Public Law 100-203, amended the Act to establish a Cushion of Credit Payment Program whereby borrowers are authorized to make voluntary advance payments on their loans and receive 5 percent interest on those advance payments. This amendment provided that a Rural Economic Development Subaccount be maintained in the Rural Electrification and Telephone Revolving Fund. This subaccount is credited monthly with a sum determined by multiplying the outstanding cushion of credit payments made after October 1, 1987, by the difference between the average weighted interest rate paid on outstanding Certificates of Beneficial Ownership issued by the Fund and the 5 percent rate of interest provided to borrowers on cushion of credit payments. The Administrator is authorized to utilize the funds in the subaccount to make zero-interest loans and grants to borrowers for the purpose of promoting rural economic development and job creation projects.

Public Law 101-624, the Food, Agriculture, Conservation, and Trade Act of 1990, enacted November 28, 1990, further amended the Act. Title XXIII, the Rural Economic Development Act of 1990, authorized several new programs subject to limitations in Appropriations Acts. They are as follows:

- Distance Learning and Medical Link Grants. This program is to provide rural communities access to advanced telecommunications services, computer networks, and improved rural opportunities.

- The Rural Business Incubator Fund. This fund shall be used to make grants and reduced interest loans to electric and telephone borrowers or other nonprofit entities to promote business incubator programs or for the creation or operation of business incubators in rural areas. The interest rate on these loans shall not exceed 5 percent.
- Financing to local businesses, community development assistance, technical assistance to businesses, and for other community business or economic development projects provided by deferment of payments on direct loans. A borrower may defer REA scheduled debt service payments equal to the amount of investment in economic development projects. Borrowers who provide financing can repay the deferred amounts in 60 or 120 equal monthly installments.

In addition, the REA Administrator shall promote rural economic development by providing rural communities with the necessary guidance, technical advice and information to plan and carry out rural development projects. Information on financial assistance from both Federal and non-federal sources will be dispensed to enable borrowers to expand their rural development efforts. Borrowers will also be made aware of successful rural development endeavors to encourage their application in similar operations throughout the country.

Rural Communication Development Fund

The Rural Development Insurance Fund (RDIF) was established on October 1, 1972, pursuant to section 116 of the Rural Development Act of 1972 (Public Law 92-419) approved August 30, 1972. The Rural Communication Development Fund (RCDF), a separate account of the RDIF, was established pursuant to Secretary's Memorandum No. 1988 approved May 22, 1979. This action transferred certain financing authorities under the Consolidated Farm and Rural Development Act (7 U.S.C. 1921 et seq.) from the Farmers Home Administration (FmHA) to the Rural Electrification Administration for the purpose of financing the construction of community antenna television services or facilities in rural areas. The RCDF was set up to insure or guarantee loans for community antenna television services or facilities to both cooperatives and commercial borrowers. The program was authorized to utilize the Community Facility authority and the Business and Industrial authorities of the Rural Development Act of 1972.

During fiscal years 1979 and 1980, loan guarantees and administrative costs were funded from amounts authorized for or originally appropriated to FmHA. Since fiscal year 1980, all applicable administrative costs have been provided for in the REA Salaries and Expenses appropriation. Loan authority made available is provided for separately under the Rural Communication Development Fund.

In 1981, it was determined that sufficient capital was available from private investors and that the activity could be more appropriately financed by the private sector. REA continues to administer the existing program by making advances on previous loans and performing debt servicing. The last loan approved or guaranteed under this authority was in fiscal year 1981.

RURAL ELECTRIFICATION ADMINISTRATION
Available Funds and Staff-Years
1992 Actual and Estimated 1993 and 1994

Item	1992 Actual		1993 Estimated		1994 Estimated	
	Amount	Staff Years	Amount	Staff Years	Amount	Staff Years
<u>Loan Authorizations:</u>						
Rural Electrification:						
Direct, REA	\$622,050,000	--	\$625,035,000	--	\$25,000,000	--
Direct, Treasury Rate	--	--	--	--	600,035,000	--
Direct, FFB	785,392,009	--	813,450,000	--	300,450,000	--
Direct, FFB Repriced	(602,586,009)	--	(563,450,000)	--	513,000,000	--
Subtotal, Direct FFB	785,392,009	--	813,450,000	--	813,450,000	--
Total, Electric Loans	1,407,442,009	--	1,438,485,000	--	1,438,485,000	--
Rural Telephone:						
Direct, REA	204,480,000	--	239,250,000	--	--	--
Investment Proposal	--	--	--	--	25,000,000	--
Direct, Treasury Rate	--	--	--	--	239,250,000	--
Direct, FFB	35,248,000	--	119,625,000	--	119,625,000	--
Total, Telephone Loans	239,728,000	--	358,875,000	--	383,875,000	--
Rural Telephone Bank:						
Direct Loans	177,023,700	--	177,045,000	--	--	--
Direct Loans, Treasury Rate	--	--	--	--	177,045,000	--
Investment Proposal	--	--	--	--	25,000,000	--
Total, RTB Loans	177,023,700	--	177,045,000	--	202,045,000	--
Rural Economic Development Loans						
	8,406,000	--	12,389,000	--	13,025,000	--
<i>Unobligated Funds, Lapsing</i>	147,226,291	--	--	--	--	--
Total, Appropriated Funds ...	1,979,826,000	--	1,986,794,000	--	2,037,430,000	--
<u>Loan Subsidies:</u>						
Rural Electrification:						
Direct, REA	\$117,069,680	--	\$117,319,000	--	4,080,000	--
Direct, Treasury Rate	--	--	--	--	540,000	--
Direct, FFB	14,137,056	--	35,304,000	--	--	--
Direct, FFB Repriced	(10,847,056)	--	(24,454,000)	--	--	--
Rural Telephone:						
Direct, REA	34,434,432	--	43,950,000	--	--	--
Investment Proposal	--	--	--	--	3,223,000	--
Direct, Treasury Rate	--	--	--	--	48,000	--
Direct, FFB	--	--	84,000	--	--	--

Amounts in parenthesis are non-add.

RURAL ELECTRIFICATION ADMINISTRATION
Available Funds and Staff-Years
1992 Actual and Estimated 1993 and 1994

Item	1992 Actual		1993 Estimated		1994 Estimated	
	Amount	Staff Years	Amount	Staff Years	Amount	Staff Years
Rural Telephone Bank:						
Direct	3,628,986	--	35,000	--	--	--
Direct, Treasury Rate	--	--	--	--	35,409	--
Investment Proposal	--	--	--	--	5,000	--
Rural Economic Development Loans:	2,544,334	--	3,423,000	--	3,423,000	--
<i>Unobligated Funds, Lapsing</i>	6,121,512	--	--	--	--	--
Total Appropriated Funds	177,936,000	--	200,115,000	--	11,354,409	--
<u>Salaries and Expenses:</u>						
RETL	26,953,772	390	29,163,000	400	29,811,000	400
RTB	8,051,127	116	8,632,000	120	8,905,000	120
Office of Administrator	124,692	3	243,000	3	--	--
Total, Salaries & Exp	35,129,591	509	38,038,000	523	38,716,000	520
<i>Unobligated Funds, Lapsing</i>	2,908,409	--	--	--	--	--
Total Appropriated Funds	38,038,000	509	38,038,000	523	38,716,000	520
<u>Grants:</u>						
Distance Learning and Medical Link 1/	5,000,000	--	5,000,000	--	5,135,000	--
Rural Economic Development 2/	--	--	14,098,000	--	5,400,000	--
Appropriated Funds	220,974,000	509	243,153,000	523	55,205,409	520
Non-Appropriated Funds	--	--	14,098,000	--	5,400,000	--
Total Available Funds ...	220,974,000	509	257,251,000	523	60,605,409	520

1/ FY 1993 excludes \$5 million in available carryover from 1992.

2/ Funds are generated by the interest differential on voluntary cushion of credit payments made by REA borrowers.

PROJECT STATEMENT

(On basis of 1993 loan levels and subsidies supportable
under 1993 Appropriations Act)

	1993 Appropriated		Increase or Decrease		1993 Current Estimate	
	Loan Level	Subsidy	Loan Level	Subsidy	Loan Level	Subsidy
Rural Electrification and Telephone Loans:						
Electric:						
Direct, REA	\$625,035,000	\$117,319,000	--	--	\$625,035,000	\$117,319,000
Direct, FFB	813,450,000	35,304,000	(7,423,000)	--	806,027,000	35,304,000
Total, Electric Loans	1,438,485,000	152,623,000	(7,423,000)	--	1,431,062,000	152,623,000
Telephone:						
Direct, REA	239,250,000	43,950,000	--	--	239,250,000	43,950,000
Direct, FFB	119,625,000	84,000	(14,625,000)	--	105,000,000	84,000
Total, Telephone Loans	358,875,000	44,034,000	(14,625,000)	--	344,250,000	44,034,000
Rural Telephone Bank:						
Direct Loans	177,045,000	35,000	(2,045,000)	--	175,000,000	35,000
Rural Economic Development Loans	12,389,000	3,423,000	--	--	12,389,000	3,423,000
Total, REA Loans	1,986,794,000	200,115,000	(24,093,000)	--	1,962,701,000	200,115,000

RURAL ELECTRIFICATION ADMINISTRATION

Permanent Positions by Grade and Staff-Year Summary1992 Actual and Estimated 1993 and 1994

Grade	1992			1993			1994		
	Head- quarters	Field	Total	Head- quarters	Field	Total	Head- quarters	Field	Total
Executive Level V	1	--	1	1	--	1	1	--	1
ES-5	1	--	1	1	--	1	1	--	1
ES-4	1	--	1	1	--	1	1	--	1
ES-3	2	--	2	2	--	2	2	--	2
ES-1	2	--	2	2	--	2	2	--	2
SL-100	1	--	1	1	--	1	1	--	1
GS/GM-15	12	--	12	12	--	12	11	--	11
GS/GM-14	53	--	53	53	--	53	53	--	53
GS/GM-13	83	99	182	83	102	185	83	102	185
GS-12	74	5	79	73	6	79	73	7	80
GS-11	22	2	24	21	2	23	21	3	24
GS-10	--	--	--	--	--	--	--	--	--
GS-9	28	--	28	28	3	31	28	1	29
GS-8	8	--	8	8	--	8	8	--	8
GS-7	47	3	50	49	--	49	47	--	47
GS-6	38	--	38	38	--	38	38	--	38
GS-5	17	--	17	17	--	17	17	--	17
GS-4	13	--	13	13	--	13	13	--	13
GS-3	5	--	5	5	--	5	5	--	5
GS-2	2	--	2	2	--	2	2	--	2
GS-1	--	--	--	--	--	--	--	--	--
Total Permanent Positions.....	410	109	519	410	113	523	407	113	520
Staff-Year Ceiling	400	109	509	410	113	523	407	113	520

RURAL ELECTRIFICATION ADMINISTRATION

Classification by Objects1992 Actual and Estimated 1993 and 1994

	<u>1992</u>	<u>1993</u>	<u>1994</u>
11 Personnel Compensation:			
Headquarters	\$17,834,691	\$19,153,133	\$19,547,100
Field	6,065,135	6,517,867	6,651,900
Total, Personnel Compensation	<u>23,899,826</u>	<u>25,671,000</u>	<u>26,199,000</u>
12 Personnel Benefits	4,323,472	4,837,000	5,057,000
13 Benefits to Former Personnel	4,932	15,000	15,000
Total, Personnel Compensation and Benefits	<u>28,228,230</u>	<u>30,523,000</u>	<u>31,271,000</u>
Other Objects:			
21 Travel	1,868,561	1,940,000	1,940,000
22 Transportation of Things	61,454	90,000	90,000
23 Communications, Utilities and Other Rent	967,694	1,013,000	1,003,000
24 Printing and Reproduction	251,237	375,000	365,000
25 Other Services	2,113,564	2,524,000	2,474,000
26 Supplies and Materials	548,450	460,000	460,000
31 Equipment	1,083,044	1,113,000	1,113,000
33 Investments and Loans	1,832,599,709	2,112,789,000	2,077,716,000
41 Grants and Subsidies	171,814,488	247,733,000	21,889,409
42 Insurance Claims	7,074	0	0
43 Interest and Dividends	<u>2,469,911,518</u>	<u>2,364,898,000</u>	<u>2,335,391,000</u>
Total, Other Objects	<u>4,481,226,793</u>	<u>4,732,935,000</u>	<u>4,442,441,409</u>
Total, Obligations	<u>4,509,455,023</u>	<u>4,763,458,000</u>	<u>4,473,712,409</u>

Position Data:

Average Salary, ES positions	\$97,788	\$100,134	\$100,134
Average Salary, GS/GM positions	\$45,240	\$48,291	\$49,605
Average Grade, GS/GM positions	10.86	10.87	10.89

RURAL ELECTRIFICATION ADMINISTRATION

The estimates include appropriation language for this item as follows (deleted matter enclosed in brackets; new material underscored):

Rural Electrification and Telephone Loans Program Account

- Insured loans pursuant to the authority of section 305 of the Rural Electrification Act of 1936, as amended (7 U.S.C. 935), shall be made as follows: [rural electrification loans,] not [less than \$625,035,000 nor] more than \$864,285,000 [933,075,000; and rural telephone loans, not less than \$239,250,000 nor more than \$311,025,000; to remain available until expended]: Provided, That loans made pursuant to section 306 of that Act are in addition to these amounts but during fiscal year [1993] 1994 total commitments to guarantee loans pursuant to section 306 shall be not more [less] than \$933,075,000 [nor more than \$2,100,615,000] of contingent liability for total loan principal: Provided further, That insured loans shall bear interest at a rate, which may be fixed or adjusted from time to time, equal to the cost of funds to the Department of Treasury for obligations with a maturity not to exceed the maturity of the loan, except in the Administrator's discretion, loans totalling not more than \$25,000,000 and bearing interest at the rate of 5 per centum per annum may be made pursuant to section 305. Notwithstanding any other provision of the Rural Electrification Act of 1936, as amended, borrowers receiving a loan under section 306 of the Act shall be charged an origination fee in an amount calculated by the Administrator to recover the subsidy cost associated with the loan. [as a condition of approval of insured electric loans during fiscal year 1993, borrowers shall obtain concurrent supplemental financing in accordance with the applicable criteria and ratios in effect as of July 15, 1982: Provided further, That no funds appropriated in this Act may be used to implement any other criteria, ratio, or test to deny or reduce loans or loan advances.]

For the cost, as defined in section 502 of the Congressional Budget Act of 1974, including the cost of modifying loans, of direct and guaranteed loans authorized by the Rural Electrification Act of 1936, as amended (7 U.S.C. 935), as follows: cost of direct loans, [\$161,269,000; cost of loans guaranteed pursuant to section 306, \$35,388,000.] \$4,668,000: Provided, That such sums are to remain available through 2002 for the disbursement of loans obligated in fiscal year 1994.

- In addition, for administrative expenses necessary to carry out the direct and guaranteed loan programs, [\$29,163,000] \$29,811,000.

The first change eliminates the ranges for the REA direct loans and establishes a \$864,285,000 program.

The second change updates the fiscal year designation.

The third change eliminates the range for FFB financed loans.

The fourth change (a) allows REA to make section 305 loans at Treasury interest rate, (b) permits the Administrator to make discretionary loans at a 5 percent interest rate, and (c) allows REA to charge an origination fee on section 306 loans.

The fifth change eliminates the condition of loan approval that pertains to applicable criteria and ratios in effect as of July 15, 1982, and removes the provision restricting REA from using appropriated funds to implement any other criteria, ratio, or test to deny or reduce loans or loan advances.

The sixth change updates the subsidy cost for section 305 and 306 loans and provides that funds made available in this account in fiscal years 1994 remain available for disbursement through 2002.

The seventh change updates the funds requested for administrative expenses.

DEPARTMENT OF AGRICULTURE
RURAL ELECTRIFICATION ADMINISTRATION
Rural Electrification and Telephone Loan Program
Loan Authorizations

	Loan Authorization
<u>Electric Loans:</u>	
Direct Loans, REA:	
Appropriation Act, 1993	\$625,035,000
Budget Estimate, 1994	25,000,000
Change	- 600,035,000
Direct Loans, Treasury Rate:	
Appropriation Act, 1993	--
Budget Estimate, 1994	600,035,000
Change	+ 600,035,000
Direct Loans, FFB: a/	
Appropriation Act, 1993	813,450,000
Budget Estimate, 1994	300,450,000
Change	- 513,000,000
Direct Loans, FFB Repriced: a/	
Appropriation Act, 1993	--
Budget Estimate, 1994	513,000,000
Change	+ 513,000,000
<u>Telephone Loans:</u>	
Direct Loans, REA:	
Appropriation Act, 1993	239,250,000
Investment Proposal, 1994	25,000,000
Change	- 214,250,000
Direct Loans, Treasury Rate:	
Appropriation Act, 1993	--
Budget Estimate, 1994	239,250,000
Change	+ 239,250,000
Direct Loans, FFB:	
Appropriation Act, 1993	119,625,000
Budget Estimate, 1994	119,625,000
Change	--
Increase from 1993 Appropriation	25,000,000
Total Increase from 1993 Appropriation, RETL	<u>25,000,000</u>

a/ In FY 1994, FFB financed direct electric loans are being divided into two components—new FFB financed direct loans and FFB repriced loans. Repriced loans are being made in FY 1993 at an estimated \$563 million from the FFB financial cohort. Total available funds of \$813,450,000 for FFB financed loans remain unchanged.

SUMMARY OF INCREASES AND DECREASES
 (On basis of loans, subsidies, and administrative expenses)

<u>Item of Change:</u>	<u>1993</u> <u>Estimated</u>	<u>Changes</u>	<u>1994</u> <u>Estimated</u>
Loans:			
Direct, Electric	\$1,438,485,000	- -	\$1,438,485,000
Direct, Telephone	358,875,000	+ \$25,000,000	383,875,000
Total, RETL Loans	<u>1,797,360,000</u>	<u>+ 25,000,000</u>	<u>1,822,360,000</u>
Loan Subsidies:			
Direct, Electric	152,623,000	- 148,003,000	4,620,000
Direct, Telephone	44,034,000	- 40,763,000	3,271,000
Total, RETL Loans Subsidies	<u>196,657,000</u>	<u>- 188,766,000</u>	<u>7,891,000</u>
Administrative Expenses.....	<u>29,163,000</u>	<u>+ 648,000</u>	<u>29,811,000</u>

PROJECT STATEMENT

(On basis of loans, subsidies, and administrative expenses)

Project	1992 Actual		1993 Estimated		Increase or Decrease		1994 Estimated	
	Loan Level	Subsidy	Loan Level	Subsidy	Loan Level	Subsidy	Loan Level	Subsidy
Rural Electrification Loans								
Direct, REA	\$622,050,000	\$117,069,680	\$625,035,000	\$117,319,000	(\$600,035,000)	(1) (\$113,239,000)	\$25,000,000	\$4,080,000
Direct, Treasury Rate	--	--	--	--	600,035,000	(3) 540,000	600,035,000	540,000
Direct, FFB a/.....	785,392,009	14,137,056	813,450,000	35,304,000	(513,000,000)	(5) (35,304,000)	300,450,000	--
Direct, FFB Repriced a/....	(602,586,009)	(10,847,056)	(563,450,000)	(24,454,000)	513,000,000	(7) --	513,000,000	--
Subtotal, FFB	785,392,009	14,137,056	813,450,000	35,304,000	--	(35,304,000)	813,450,000	--
Total, Electric	1,407,442,009	131,206,736	1,438,485,000	152,623,000	--	(148,003,000)	1,438,485,000	4,620,000
Rural Telephone Loans								
Direct, REA	204,480,000	34,434,432	239,250,000	43,950,000	(239,250,000)	(8) (43,950,000)	--	--
Direct, Treasury Rate	--	--	--	--	239,250,000	(10) 48,000	239,250,000	48,000
Direct, FFB	35,248,000	--	119,625,000	84,000	--	(84,000)	119,625,000	--
Total, Telephone	239,728,000	34,434,432	358,875,000	44,034,000	--	(43,986,000)	358,875,000	48,000
Unobligated Balance, Lapsing	147,204,991	6,119,832						
Total, Appropriation	1,794,375,000	171,761,000	1,797,360,000	196,657,000	--	(191,989,000)	1,797,360,000	4,668,000
Investment Proposal							25,000,000	3,223,000
Total, President's Budget Administrative expense ..							1,822,360,000	7,891,000
		29,163,000		29,163,000		648,000		29,811,000

a/ FFB loans are being divided into two components in FY 1994. Since these loans have different maturity and default assumptions this split is necessary in order to calculate the subsidy cost.

Amounts in parenthesis are non-add.

EXPLANATION OF ELECTRIC AND TELEPHONE LOAN PROGRAM

The loan authorizations of the Rural Electrification Administration are used to carry out the provisions of the Rural Electrification Act of 1936, as amended. The objectives of the program are to provide loans at reasonable interest rates to borrowers that produce and distribute electricity and provide telephone service. REA administers the rural electrification program, which provides loans to borrowers that distribute electricity to farms and other retail users; and the rural telephone program, which furnishes and improves telephone service in rural areas.

As required by Title XIII, section 13201, of the Omnibus Budget Reconciliation Act of 1990, this account records the subsidy costs associated with the direct loan obligations and guaranteed loan commitments of this account in FY 1992 and beyond. Subsidy amounts are obtained by estimating the difference between the Government's cash disbursements and the net present value of the Government's cash inflows resulting from direct and guaranteed loans made through this account.

Electrification Program Statistics
(Dollars in thousands)

	Cumulative Thru FY 1992 <u>Actual</u>	<u>Cumulative Estimates</u>	
		<u>FY 1993</u>	<u>FY 1994</u>
REA financed loans.....	\$22,621,316	\$23,246,351	\$23,871,386
REA funds advanced.....	21,317,479	21,837,346	22,247,213
REA unadvanced funds, end of year.	1,303,837	1,409,005	1,624,173
REA principal repaid.....	8,756,340	9,168,430	9,590,975
REA interest paid.....	7,978,673	8,508,566	9,056,622
FFB/Treasury rate loans.....	28,526,062	28,768,639	29,069,089
Consumers served-calendar year (thousand-estimated) 1/...	12,878	13,144	13,410
Miles energized-calendar year (thousand-estimated) 1/...	2,231	2,251	2,271
Number of borrowers.....	937	892	875

Telephone Program Statistics
(Dollars in thousands)

	Cumulative Thru FY 1992 Actual	<u>Cumulative Estimates</u>	
		<u>FY 1993</u>	<u>FY 1994</u>
REA financed loans.....	\$6,319,395	\$6,558,645	\$6,797,895
REA funds advanced	5,387,012	5,564,178	5,924,045
REA unadvanced funds, end of year....	932,383	994,467	873,850
REA principal repaid	2,049,842	2,189,452	2,332,408
REA interest paid	1,768,582	1,898,464	2,031,207
FFB financed loans.....	679,852	799,477	919,102
Route miles of line constructed			
or improved-(thousand-estimated) <u>2/</u>	946	955	964
Dial subscribers, new and			
improved service-calendar year			
(thousands-estimated) <u>2/</u>	5,960	6,085	6,210
Number of borrowers.....	923	910	915

1/ Data represents accomplishments from all sources of funds.

2/ Data represents accomplishments from borrowers financed 20 percent or more by REA, RTB, and guaranteed loans.

JUSTIFICATION OF INCREASES AND DECREASES

- (1) A decrease of \$600,035,000 in direct electric loans (\$625,035,000 available in 1993).

Need for Change. In order to reduce the cost of the REA program, the interest rate charged to borrowers will increase from 5 percent to the Treasury rate. The loan level decrease in direct 5 percent loans will be used to establish a \$600 million program of direct loans at Treasury rates. A 5 percent interest rate program of \$25,000,000 will be established for borrowers who are financially unable to pay the Treasury interest rate, which is estimated to be 6.68 percent in FY 1994.

Nature of Change. This program level will provide direct electric loans to borrowers who are financially unable to pay the Treasury interest rate. Total available funds of \$625,035,000 would remain unchanged.

- (2) A decrease of \$113,239,000 in direct electric loan subsidies (\$117,319,000 available in 1993).

Need for Change. The subsidy needed to support each loan level must be recalculated based on Federal Credit Reform Act of 1990 requirements.

Nature of Change. The subsidy for this program is decreased to reflect the cost of maintaining a \$25,000,000 direct electric loan program for hardship cases.

- (3) An increase of \$600,035,000 in direct electric loans at Treasury interest rate (included in the direct electric loans in 1993).

Need for Change. The Administration proposes to establish a Treasury interest rate direct loan program and reduce the loan subsidies on the REA programs. This program, along with the \$25,000,000 direct program at 5 percent interest, will be available to meet the financial needs of all direct electric borrowers.

Nature of Change. This program level will provide funds for electric borrowers who are financially able to qualify for loans at the Treasury interest rate.

- (4) An increase of \$540,000 in direct electric Treasury rate loan subsidies (included in direct electric subsidies in 1993).

Need for Change. This increase will provide subsidies for the new direct electric loan program at the Treasury interest rate.

Nature of Change. The subsidy for this program includes a Treasury interest rate charge to borrowers. The interest rate increase will reduce the amount of subsidy needed for this program.

- (5) A decrease of \$513,000,000 for FFB financed direct electric loans (\$813,450,000 available in 1993).

Need for Change. FFB financed direct electric loans are being divided into two components--new FFB financed direct electric loans and FFB repriced loans. The total available funds of \$813,450,000 remain unchanged.

Nature of Change. New FFB financed loans have a different estimated cash flow from FFB repriced loans. Establishment of a separate loan component is needed to estimate the cost under credit reform requirements on a net present value basis.

- (6) A decrease of \$35,304,000 for FFB financed direct loan subsidies (\$35,304,000 available in 1993).

Need for Change. To reduce the cost of the REA program, a fee on loan advances equal to the amount of the subsidy on the FFB financed direct electric loans, estimated 1.03 percent of the face value of the loan, will be charged to borrowers.

Nature of Change. A fee to offset the subsidy cost of this program will be charged. Based on the imposition of the fee, no subsidy will be needed for FFB financed direct electric loans.

- (7) An increase of \$513,000,000 for FFB repriced loans (included with FFB financed direct electric loans in 1993).

Nature of Change. A separate component is established for FFB repriced loans. Total funds available for FFB financed electric borrowers remain unchanged.

Need for Change. Due to lower interest rates, borrowers are exercising the option in existing contracts to reprice loans. No subsidy is needed for repriced loans.

- (8) A decrease of \$239,250,000 in direct telephone loans (\$239,250,000 available in 1993).

Need for Change. The Administration proposes to establish a Treasury interest rate direct loan program which will reduce the loan subsidies on this program. The reduction of \$239,250,000 will provide the funding. Total funds available for direct telephone borrowers remain unchanged from FY 1993.

Nature of Change. This program decrease will eliminate 5 percent loan funds for telephone borrowers.

- (9) A decrease of \$43,950,000 for direct telephone loan subsidies (\$43,950,000 available in 1993.)

Need for Change. To reduce the cost of the REA program, the Administration proposes to establish a direct telephone loan program at the Treasury interest rate.

Nature of Change. The Treasury interest rate will be charged on all direct telephone loans. This significantly reduces the subsidy costs associated with the loan program.

- (10) An increase of \$239,250,000 in direct telephone loans at Treasury interest rate (included with direct telephone loans in 1993).

Need for Change. The Administration proposes to establish a Treasury interest rate direct loan program and reduce the loan subsidies on the REA programs.

Nature of Change. This program level will provide funds for direct loans to telephone borrowers.

- (11) An increase of \$48,000 in direct telephone Treasury rate loan subsidies (included in direct telephone subsidies in 1993).

Need for Change. The subsidy needed to support the new direct telephone loan program at the Treasury interest rate must be calculated based on Federal Credit Reform Act of 1990 requirements.

Nature of Change. The subsidy is based on charging borrowers Treasury interest rates. The interest rate increase reduces the amount of subsidy needed for this program.

- (12) A decrease of \$84,000 for FFB financed direct telephone loan subsidies (\$84,000 available in 1993.)

Need for Change. The subsidy needed to support each loan level in the President's Budget must be recalculated based on Federal Credit Reform Act of 1990 requirements.

Nature of Change. Based on current interest rate and default assumptions there is no cost to the Government for the loans; therefore, no subsidy is needed for FFB financed direct telephone loans.

- (13) An increase of \$648,000 for administrative expenses. This increase is justified as part of the total REA in Salaries and Expenses, p. 13-38 of the Explanatory Notes.

UNITED STATES DEPARTMENT OF AGRICULTURE
Rural Electrification Administration

Number and Amount of Direct REA Electrification and
Telephone Loans by State, Fiscal Year 1992

	<u>ELECTRIC</u>		<u>TELEPHONE</u>	
	<u>No.</u>	<u>Amount</u>	<u>No.</u>	<u>Amount</u>
UNITED STATES	193	\$622,050,000	40	\$204,480,000
Alabama	6	25,592,000	1	30,856,000
Alaska	1	2,349,000	2	13,102,000
Arizona	4	20,688,000		
Arkansas	3	22,510,000	1	4,118,000
California			1	2,474,000
Colorado	5	23,174,000	1	13,466,000
Florida	4	16,206,000		
Georgia	15	42,088,000	1	5,751,000
Idaho			1	276,000
Illinois	5	11,462,000		
Indiana	1	1,050,000		
Iowa	11	18,135,000	2	4,988,000
Kansas	8	12,359,000	1	3,500,000
Kentucky	8	36,600,000	2	3,883,000
Louisiana			2	10,850,000
Maine	2	721,000		
Michigan	3	8,707,000	2	991,000
Minnesota	9	18,917,000	2	1,571,000
Mississippi	7	35,713,000	2	4,344,000
Missouri	8	24,844,000	1	1,610,000
Montana	6	5,869,000		
Nebraska	5	8,622,000	1	1,520,000
New Mexico	3	3,315,000	1	7,440,000
North Carolina	5	38,653,000		
North Dakota	5	10,743,000		
Ohio	5	4,988,000		
Oklahoma	5	11,482,000	1	3,153,000
Oregon			2	9,183,000
Pennsylvania	4	13,727,000	1	4,225,000
South Carolina	8	42,246,000		
South Dakota	10	14,316,000	2	7,425,000
Tennessee	7	31,176,000		
Texas	16	52,813,000	3	15,622,000
Virginia	6	46,091,000		
Washington	1	1,376,000	1	1,220,000
West Virginia			1	3,597,000
Wisconsin	5	7,453,000	4	10,172,000
Wyoming	2	8,065,000		
Palau			1	39,143,000

Number and Amount of Direct, FFB Electrification and
Telephone Loans by State, Fiscal Year 1992

	<u>ELECTRIC</u>		<u>TELEPHONE</u>	
	<u>No.</u>	<u>Amount</u>	<u>No.</u>	<u>Amount</u>
UNITED STATES	28	\$785,392,009 <u>a/</u>	3	\$35,248,000
Alabama	1	45,495,401		
Arizona			1	28,016,000
Florida	2	78,580,000		
Georgia	1	41,285,396		
Indiana	2	79,490,018		
Iowa	1	5,373,361		
Kentucky	2	79,395,268		
Michigan	1	2,453,000		
Minnesota	3	72,593,456		
Mississippi	1	45,932,722		
Missouri	4	132,008,671		
North Carolina	2	6,921,000		
North Dakota	1	340,000		
Oregon	1	6,081,768		
Pennsylvania	1	122,031,075		
South Carolina	1	3,530,000		
Texas	2	61,532,873		
Virginia			1	3,337,000
Washington			1	3,895,000
Wisconsin	2	2,348,000		

a/ Credit Reform procedures requires the inclusion of 14 repriced guaranteed loans in the amount of \$602,586,009.

RURAL ELECTRIFICATION ADMINISTRATION
Summary of Investment Proposal

SUMMARY OF INCREASES AND DECREASES— INVESTMENT PROPOSAL

Item of Change	FISCAL YEAR 1994					
	Base Request		Investment Proposal		Total Request	
	Loan Level	Subsidy	Loan Level	Subsidy	Loan Level	Subsidy
Rural Electrification and Telephone Loans:						
Direct Loans, Telephone ...	\$0	\$0	+ \$25,000,000	+ \$3,223,000	\$25,000,000	\$3,223,000

EXPLANATION OF INVESTMENT PROPOSAL

The additional funding would provide incentives for local telephone exchange carriers, rural community facilities, and rural residents to improve the quality of phone service to allow access to advanced telecommunications services, computer networks, distance learning and medical link, and to improve rural opportunities. Loans made with these funds would be at the rate of 5 per centum per annum.

Rural Electrification and Telephone Loans Program Account

In addition to funding already available under this heading, and subject to the same terms and conditions, for the cost of direct loans, including cost of modifying loans, as defined in section 502 of the Congressional Budget Act of 1974, \$3,223,000: Provided, That such sums are to remain available through 2005 for the disbursement of loans obligated in fiscal year 1994: Provided further, That these funds are available to subsidize gross obligations for the principal amount of direct loans not to exceed \$25,000,000 to be available for purposes and end users authorized in sections 2331-2335 of P.L. 101-624 and for telecommunication modernization loans at the rate of 5 percent per year.

This language supports the Administration's effort to provide economic stimulus through investment in improving the national infrastructure.

RURAL ELECTRIFICATION ADMINISTRATION

The 1994 Budget Estimates include proposed language for this item as follows (deleted matter enclosed in brackets, new language underscored):

Rural Economic Development Loans Program Account

For loans authorized under section 313 of the Rural Electrification Act, for the purpose of promoting rural economic development and job creation projects, [\$12,389,000] \$13,025,000.

For the cost, as defined in section 502 of the Congressional Budget Act of 1974, of direct loans, \$3,423,000.

DEPARTMENT OF AGRICULTURE
RURAL ELECTRIFICATION ADMINISTRATION

Rural Economic Development Loans

	Loan Authority	Subsidy
Appropriation Act, 1993	\$12,389,000	\$3,423,000
Budget Estimate, 1994	13,025,000	3,423,000
Change	+ 636,000	--

SUMMARY OF INCREASES AND DECREASES

(On basis of loan levels and subsidies)

<u>Item of Change:</u>	1993 <u>Estimated</u>		1994 <u>Estimated</u>
Loan Authority	\$12,389,000	+ \$636,000	\$13,025,000
Subsidy	3,423,000	--	3,423,000

PROJECT STATEMENT

(On basis of loan levels and subsidies)

Project	1992 Actual	1993 Estimated	Increase or Decrease	1994 Estimated
Rural Economic Development Loans :				
Loan Level	\$8,406,000	\$12,389,000	\$636,000 (1)	\$13,025,000
Loan Subsidies	2,544,334	3,423,000	--	3,423,000

EXPLANATION OF PROGRAM

This program provides funds for loans and grants authorized under section 313 of the Rural Electrification Act of 1936, as amended, for the purpose of promoting rural economic development and job creation projects including funding for project feasibility studies costs, start-up costs, incubator projects, and other expenses for the purpose of fostering rural development.

JUSTIFICATION OF INCREASES AND DECREASES

(1) An increase in loan authority of \$636,000 (\$12,389,000 available in 1993).

Need for Change: There is no change in the amount of subsidy budget authority requested for FY 1994. However, a higher loan level can be supported because of a lower subsidy cost.

Nature of Change: The level of rural development loans is increased to reflect utilization of available loan subsidies.

UNITED STATES DEPARTMENT OF AGRICULTURE

Rural Electrification Administration

Number and Amount of REA Rural Economic Development Loans
by State, Fiscal Year 1992

	<u>Electric</u>		<u>Telephone</u>	
	<u>No.</u>	<u>Amount</u>	<u>No.</u>	<u>Amount</u>
UNITED STATES	58	5,344,500	38	3,061,500
Alabama	5	500,000		
Arkansas	2	200,000		
Illinois	1	55,000	1	65,000
Indiana	3	300,000		
Iowa			7	518,500
Kentucky	3	240,000	2	55,000
Maine			1	100,000
Michigan	2	153,400		
Minnesota	4	312,500	11	960,000
Mississippi	1	100,000		
Missouri	3	300,000		
Montana	3	220,000		
Nebraska			1	40,000
North Carolina	1	100,000		
North Dakota	7	700,000	2	150,000
Ohio	2	186,600		
Oklahoma	2	200,000	3	240,000
Oregon	1	100,000		
Pennsylvania	1	100,000		
South Dakota	2	200,000		
Tennessee	12	1,077,000		
Texas	1	100,000		
Utah			1	100,000
Wisconsin	2	200,000	9	833,000

RURAL ELECTRIFICATION ADMINISTRATION

The estimates include appropriation language for this item as follows (new language underscored; deleted matter enclosed in brackets):

Rural Telephone Bank Program Account

- The Rural Telephone Bank is hereby authorized to make such expenditures, within the limits of funds available to such corporation in accord with
 1 law, and to make such contracts and commitments [without regard to fiscal year limitations as provided by section 104 of the Government Corporation Control Act, as amended,] as may be necessary in carrying out its authorized
 2 programs for the current fiscal year. During fiscal year [1993] 1994, and within the resources and authority available, gross obligations for the
 3 principal amount of direct loans shall be not [less] more than \$177,045,000 [nor more than \$210,540,000].

- For the cost, as defined in section 502 of the Congressional Budget Act of 1974, including the cost of modifying loans, of direct loans authorized by the
 4 Rural Electrification Act of 1936, as amended (7 U.S.C. 935), [\$35,000]
 5 \$35,409: Provided, That, loans made by the Rural Telephone Bank pursuant to section 408 of the Rural Electrification Act shall bear interest at a rate, which may be fixed or adjusted from time to time, equal to the cost of funds to the Department of Treasury for obligations with a maturity not to exceed the maturity of the loan: Provided further, That such sums are to remain available through 2005 for the disbursement of loans obligated in fiscal year 1994.

- 6 In addition, for administrative expenses necessary to carry out the loan programs, [\$8,632,000] \$8,905,000.

The first change deletes the provision that abolishes a fiscal year limitation.

The second change updates the fiscal year designation.

The third change eliminates the range for RTB loans and establishes a \$177,045,000 program.

The fourth change updates subsidy cost for 1994 Telephone Bank loans.

The fifth change allows the Rural Telephone Bank to make loans at the Treasury interest rate and provides that loans obligated in this account in fiscal year 1994 shall remain available for disbursement through 2005.

The sixth change updates the funds requested for administrative expenses.

DEPARTMENT OF AGRICULTURE
RURAL ELECTRIFICATION ADMINISTRATION

Rural Telephone Bank

	Direct Loan Authorization	Loan Subsidy
Appropriation Act, 1993	\$ 177,045,000	\$35,000
Budget Estimate, 1994	177,045,000	35,409
Change	<u> -- </u>	<u> + 409 </u>

SUMMARY OF INCREASES AND DECREASES

(On basis of loans, subsidies and administrative expenses)

<u>Item of Change:</u>	1993 <u>Estimated</u>	<u>Changes</u>	1994 <u>Estimated</u>
Loan Program:			
Direct Loans	\$177,045,000	- \$177,045,000	--
Direct Loans, Treasury Rate	<u> -- </u>	<u>+ 177,045,000</u>	<u>\$177,045,000</u>
Total, Loans	<u>177,045,000</u>	<u> -- </u>	<u>177,045,000</u>
Loan Subsidy:			
Direct Loans	35,000	- 35,000	--
Direct Loans, Treasury Rate	<u> -- </u>	<u>+ 35,409</u>	<u>35,409</u>
Total, Loan Subsidies	<u>35,000</u>	<u>+ 409</u>	<u>35,409</u>
Administrative Expenses	<u>8,632,000</u>	<u>+ 273,000</u>	<u>8,905,000</u>

PROJECT STATEMENT

(On basis of loan levels, subsidies, and administrative expenses)

Project	1992 Actual		1993 Estimated		Increase or Decrease		1994 Estimated	
	Loan Level	Subsidy	Loan Level	Subsidy	Loan Level	Subsidy	Loan Level	Subsidy
Rural Telephone Bank:								
Loan Program:								
Direct Loans	\$177,023,700	\$3,628,986	1/ \$177,045,000	\$35,000	(\$177,045,000)	(\$35,000)	--	--
Direct Loans, Treasury								
Rate	--	--	--	--	177,045,000	35,409	\$177,045,000	\$35,409
Total, RTB	177,023,700	3,628,986						
Unobligated Balance,								
Lapsing	21,300	14						
Total Appropriation	177,045,000	3,629,000	177,045,000	35,000	--	409 (1)	177,045,000	35,409
Investment Proposal							25,000,000	5,000
Total, President's Budget ..							202,045,000	40,409
Administrative Expenses ...		8,632,000		8,632,000		273,000 (2)		8,905,000

1/ For FY 1993, the subsidy appropriation provides a supportable loan level of \$175 million.

EXPLANATION OF RURAL TELEPHONE BANK PROGRAM

Public Law 92-12, approved May 7, 1971, amended the Rural Electrification Act of 1936, as amended, to establish the Rural Telephone Bank as a supplemental source of financing the Rural Telephone Program. The Act, as amended, permitted the Secretary of the Treasury to purchase the Bank's debentures. This reduced RTB borrower costs. Public Law 93-32, approved May 11, 1973, further amended the Act to increase the Bank's borrowing authority from eight to twenty times its paid-in-capital and retained earnings. The Bank charges an interim rate from date of advance until the end of the fiscal year of the Bank's rate of borrowing from Treasury. After the first year, a complex formula for computing the Bank's lending rate applies, but the rate cannot be less than 5 percent per annum.

Borrowing Authority

Equity capital of the Bank consists of Class A stock, bearing a 2 percent dividend, purchased by the United States Government; Class B and C stock purchased by Bank borrowers, organizations eligible to become borrowers, organizations controlled by borrowers; and retained earnings. With the implementation of Credit Reform in FY 1992, the Bank was provided permanent, indefinite authority to meet its cash needs on all loans made prior to FY 1992.

Highlights of Operation

The Rural Telephone Bank made 29 loans totaling \$177,023,700 in FY 1992. Since its inception, the Bank has made loans totaling \$2,897,405,293 to 609 borrowers.

The net income of the liquidating account from October 1, 1991, to September 30, 1992, amounted to \$66,472,077. After making provision for a return of \$11,841,593 on Class A stock held by the government, a balance of \$54,630,484 was available for patronage refunds, dividends, and retained earnings. Assets of the Bank totaled \$1,893,033,233 as of September 30, 1992, and liabilities were \$774,222,553. The Bank has invested some of the proceeds from the sale of Class B and C stock in United States securities; interest on these investments amounted to \$38,693.

In FY 1993, a new Rural Telephone Bank Equity Account has been established. Amounts equal to approximately 5 percent of each repayment on loans advanced from the financing account and current purchases of Class B Stock in the liquidating account will be deposited into this account.

Funds accumulated may be used to begin redemption of Class A Stock in FY 1996, as allowed by law.

Program Statistics (Dollars in thousands)

	<u>FY 1992 Actual</u>	<u>FY 1993 Estimate</u>	<u>FY 1994 Estimate</u>
Cumulative net loans.....	\$2,897,406	\$3,072,406	\$3,249,451
Cumulative loan funds, advanced.....	2,176,292	2,298,472	2,432,979
Unadvanced loan funds, end of year...	721,114	773,934	816,472
Cumulative principal repaid.....	448,822	489,266	533,889
Cumulative interest paid.....	1,452,329	1,581,411	1,715,929
Number of borrowers.....	609	609	609

As required by Title XIII, section 13201, of the Omnibus Budget Reconciliation Act of 1990, this account records the subsidy costs associated with the direct loan obligations and guaranteed loan commitments of this account in FY 1992 and beyond. Subsidy amounts are obtained by estimating the difference between the Government's cash disbursements and the net present value of the Government's cash inflows resulting from direct and guaranteed loans made through this account.

JUSTIFICATION OF INCREASES AND DECREASES

- (1) An increase of \$409 in subsidy costs (\$35,000 available in 1993).

Need for change. This increase in appropriated subsidy will allow full utilization of the \$177,045,000 requested loan level based on projected Treasury interest rates.

Nature of change. Appropriated subsidy in FY 1993 supported a loan level of \$175 million. The authorized level was \$177,045,000. This increase will fully fund the requested program level.

- (2) An increase of \$273,000 for administrative expenses (\$8,632,000 available in 1993). This increase is justified as part of the total REA in Salaries and Expenses, p.13-38 of the Explanatory Notes.

UNITED STATES DEPARTMENT OF AGRICULTURE
Rural Electrification Administration

Number and Amount of Rural Telephone Bank
Loans by State, Fiscal Year 1992

	<u>No.</u>	<u>Amount</u>
UNITED STATES	29	\$177,023,700
Alabama	1	8,352,750
California	1	3,062,850
Florida	1	6,849,150
Illinois	1	644,700
Kentucky	1	6,893,250
Louisiana	3	27,207,600
Maine	1	7,350,000
Michigan	1	3,269,700
Minnesota	1	2,197,650
Mississippi	1	1,838,550
Missouri	1	1,971,900
Montana	1	3,131,100
North Carolina	1	32,941,650
Oklahoma	3	24,977,400
Oregon	2	3,177,300
Pennsylvania	2	3,704,400
South Carolina	4	30,838,500
South Dakota	1	2,986,200
Tennessee	1	2,523,150
Wisconsin	1	3,105,900

**RURAL ELECTRIFICATION ADMINISTRATION
Summary of Investment Proposal**

SUMMARY OF INCREASES AND DECREASES – INVESTMENT PROPOSAL

Item of Change	FISCAL YEAR 1994					
	Base Request		Investment Proposal		Total Request	
	Loan Level	Subsidy	Loan Level	Subsidy	Loan Level	Subsidy
Rural Telephone Bank Loans:						
Direct Loans, Treasury Rate	\$177,045,000	\$35,409	+ \$25,000,000	+ \$5,000	\$202,045,000	\$40,409

EXPLANATION OF INVESTMENT PROPOSAL

The additional funding would provide incentives for local telephone exchange carriers, rural community facilities, and rural residents to improve the quality of phone service to allow access to advanced telecommunications services, computer networks, distance learning and medical link, and to improve rural opportunities.

Rural Telephone Bank Program Account

In addition to funding already available under this heading, and subject to the same terms and conditions, for the cost of direct loans, including the cost of modifying loans, as defined in section 502 of the Congressional Budget Act of 1974, \$5,000: Provided, That such sums are to remain available through 2005 for the disbursement of loans obligated in fiscal year 1994: Provided further, That these funds are available to subsidize gross obligations for the principal amount of direct loans, not to exceed \$25,000,000, to be available for purposes and end users authorized in sections 2331-2335 of P.L. 101-624 and for telecommunications modernization loans: Provided further, That these loans shall bear interest at a rate, which may be fixed or adjusted from time to time, equal to the cost of funds to the Department of Treasury for obligations with a maturity not to exceed the maturity of the loans.

This language supports the Administration's effort to provide economic stimulus through investment in improving the national infrastructure.

DEPARTMENT OF AGRICULTURE
RURAL ELECTRIFICATION ADMINISTRATION

Rural Economic Development Grants

Grant Level:

1993 Actual	\$14,098,000
1994 Estimate	5,400,000
Change	- 8,698,000

SUMMARY OF INCREASES AND DECREASES

(On basis of available funds)

<u>Item of Change:</u>	<u>1993</u> <u>Estimated</u>	<u>Change</u>	<u>1994</u> <u>Estimated</u>
Grant Authority	\$14,098,000	-	\$5,400,000

PROJECT STATEMENT

(On basis of available funds)

Project	1992 Actual	1993 Estimated	Increase or Decrease	1994 Estimated
Rural Economic Development Grants 1/	--	\$14,098,000	- \$8,698,000 (1)	\$5,400,000

1/ Amounts represent earnings generated by the interest differential on voluntary cushion of credit payments made by REA borrowers.

EXPLANATION OF PROGRAM

This account provides funds for grants authorized under section 313 of the Rural Electrification Act of 1936, as amended, for the purpose of promoting rural economic development and job creation projects including funding for project feasibility studies costs, start-up costs, incubator projects, and other expenses for the purpose of fostering rural development.

JUSTIFICATION OF INCREASES AND DECREASES

- (1) A decrease of \$8,698,000 for Rural Economic Development Grants (\$14,098,000 available in 1993). This decrease reflects the estimated earnings for FY 1994. The amount of funds available in FY 1993 includes carryover funds of \$7,198,000 from FY 1992. REA is currently in the process of preparing a proposed rule for this grant program.

RURAL ELECTRIFICATION ADMINISTRATION

The 1994 Budget Estimates include proposed language for this item as follows (deleted matter enclosed in brackets, new language underscored):

Distance Learning and Medical Link Grants:

For necessary expenses to carry into effect the programs authorized in sections 2331-2335 of Public Law 101-624, [\$5,000,000] \$5,135,000, to remain available until expended.

This change reflects the appropriation request for fiscal year 1994.

DEPARTMENT OF AGRICULTURE
RURAL ELECTRIFICATION ADMINISTRATION

Distance Learning and Medical Link Grants

Appropriation Act, 1993	\$5,000,000
Budget Estimate, 1994	5,135,000
Change	+ <u>135,000</u>

SUMMARY OF INCREASES AND DECREASES

(On basis of appropriated funds)

<u>Item of Change:</u>	<u>1993</u> <u>Estimated</u>		<u>Change</u>	<u>1994</u> <u>Estimated</u>
Distance Learning & Medical Link Grants	\$5,000,000	+	\$135,000	\$5,135,000

PROJECT STATEMENT

(On basis of obligations under available funds)

<u>Project</u>	<u>1992</u> <u>Actual</u>	<u>1993</u> <u>Estimated</u>	<u>Increase or</u> <u>Decrease</u>	<u>1994</u> <u>Estimated</u>
Distance Learning & Medical Link Grants	--	\$10,000,000	(\$4,865,000)	\$5,135,000
Unobligated balance, SOY	--	(5,000,000)	5,000,000	--
Unobligated balance, EOY	5,000,000	--	--	--
Total, appropriation.....	5,000,000	5,000,000	135,000 (1)	5,135,000

EXPLANATION OF PROGRAM

This grant program provides access to advanced telecommunications services and computer networks to improve rural opportunities. Program guidelines will allow priority for projects which include jointly shared facilities.

JUSTIFICATION OF INCREASES AND DECREASES

- (1) An increase of \$135,000 for Distance Learning and Medical Link Grants (\$5,000,000 appropriated in 1993) which reflects a 2.7% increase for inflation.

RURAL ELECTRIFICATION ADMINISTRATION

The 1994 Budget Estimates include proposed language for this item as follows (new language underscored; deleted matter enclosed in brackets):

SALARIES AND EXPENSES

- For administrative expenses to carry out the provisions of the Rural Electrification Act of 1936, as amended (7 U.S.C. 901- 950(b)), and to administer the loan and loan guarantee programs for Community Antenna Television facilities as authorized by the Consolidated Farm and Rural Development Act (7 U.S.C. 1921-1995), and for which commitments were
- 1 made prior to fiscal year [1993] 1994, including not to exceed \$7,000 for financial and credit reports, funds for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed \$103,000 for employment under 5 U.S.C. 3109, [\$37,795,000] \$38,716,000; of which [\$29,163,000] \$29,811,000 shall be derived by transfer from the Rural Electrification and Telephone Loans Program Account in this Act and [\$8,632,000] \$8,905,000 shall be derived by transfer from the Rural Telephone Bank Program Account in this Act:
 - 2 Provided, [That none of the funds in this Act may be used to authorize the transfer of additional funds to this account from the Rural Telephone Bank: Provided further,] That none of the salaries and expenses provided to the Rural Electrification Administration, and none of the responsibilities assigned by law to the Administrator of the Rural Electrification Administration may be reassigned or transferred to any other agency or office.

[OFFICE OF THE ADMINISTRATOR]

- 3 [For necessary salaries and expenses of the Office of the Administrator of the Rural Electrification Administration, \$243,000: Provided, That no other funds in this Act shall be available for this Office.]

The first change updates the fiscal year designation.

The second change eliminates additional restrictive language that prohibits the Rural Telephone Bank from transferring additional funds to this account.

The third change deletes the language providing a separate appropriation for the Office of the Administrator since funds for this office are requested in the Salaries and Expenses appropriation.

RURAL ELECTRIFICATION ADMINISTRATION

Salaries and Expenses

Appropriation Act, 1993:	
Salaries & Expenses, Transfer from Program Accounts	\$37,795,000
Office of the Administrator	243,000
Total Appropriation, 1993	38,038,000
Budget Estimate, 1994	38,716,000
Change	+ 678,000

SUMMARY OF INCREASES AND DECREASES

(On basis of available funds)

Item of Change	1993 Estimated		Pay Cost		Other Changes	1994 Estimated
Salaries and Expenses	\$38,038,000	+	\$748,000	-	\$70,000	\$38,716,000

PROJECT STATEMENT

(On basis of available funds)

Project	1992 Actual		1993 Estimated		Increase or Decrease	1994 Estimated	
	Amount	Staff Years	Amount	Staff Years		Amount	Staff Years
Administration of Loan Programs:							
Rural Electric & Telephone Loans	\$26,953,772	390	\$29,163,000	400	\$648,000	\$29,811,000	400
Rural Telephone Bank Loans	8,051,127	116	8,632,000	120	273,000	8,905,000	120
Office of the Administrator	124,692	3	243,000	3	(243,000)	--	--
Total Administration of Loan Programs	35,129,591	509	38,038,000	523	678,000 (1)	38,716,000	520
Unobligated Balance Lapsing:							
Salaries and Expenses	2,790,101	--	--	--	--	--	--
Office of the Administrator	118,308	--	--	--	--	--	--
Total, Appropriation	38,038,000	509	38,038,000	523	678,000	38,716,000	520

1/ Funds appropriated to the RETL program account and the RTB program account will be treated as a transfer to the Salaries and Expenses account.

EXPLANATION OF PROGRAM

The "Salaries and Expenses" Account of the Rural Electrification Administration funds the activities authorized by the Rural Electrification Act, as amended. The Salaries and Expenses account is funded by transfers from the Rural Electrification and Telephone Loans program account and the Rural Telephone Bank program account where administrative expense funds are appropriated, as required by the Federal Credit Reform Act of 1990. The RE Act authorizes REA to provide to qualified electric and telephone organizations capital through insured loans and guarantees of loans by other lenders for electric and telephone service in rural areas comparable in reliability and quality to the service provided the rest of the nation. REA is also authorized by section 313 to make zero-interest loans and grants to REA borrowers for the purpose of promoting rural economic development and job creation projects. The Distance Learning and Medical Link Program will provide grants to rural community facilities, such as schools, hospitals, and medical centers. These grants will allow access to advanced telecommunication services and computer networks which will provide educational and medical benefits to people living in rural areas. In addition to administering the programs and assuring the feasibility and adequate security and collections on loans, the REA staff furnishes management and technical assistance to borrowers for the purpose of protecting the Government's loan security, to assure that construction and operation of borrowers' systems conform to approved standards, and that the electric and telephone systems continue providing reliable service on an area coverage basis.

Applications, Loans, and Requisitions for Advances
(Dollars in thousands)

	<u>Actual</u>		<u>Estimated</u>		<u>Estimated</u>	
	<u>Fiscal Year 1992</u>		<u>Fiscal Year 1993</u>		<u>Fiscal Year 1994</u>	
	<u>Number</u>	<u>Amount</u>	<u>Number</u>	<u>Amount</u>	<u>Number</u>	<u>Amount</u>
<u>Electric Program</u>						
Direct loans approved.	193	\$622,050	194	\$625,035	194	\$625,035
Direct loans, FFB.....	28	785,392 ^{a/}	29	813,450	29	813,450
Advances processed						
(Insured Loans).....	456	401,005	591	519,867	759	666,801
<u>Telephone Program</u>						
Direct loans approved..	40	204,480	47	239,250	47	239,250
RTB loans approved.....	29	177,024	28	175,000	29	177,045
Direct loans, FFB.....	3	35,248	10	119,625	10	119,625
Advances processed -						
REA borrowers.....	311	170,519	323	177,169	395	216,193
RTB borrowers.....	120	88,997	167	122,180	195	134,507

^{a/} Includes 14 repriced guaranteed loans of \$602,586,009.

JUSTIFICATION OF INCREASES AND DECREASES

- (1) A net increase of \$678,000 for Salaries and Expenses (\$38,038,000 appropriated in FY 1993) consisting of:

- (a) An increase of \$748,000 which includes funds for salaries and for benefits for the annualization of the fiscal year 1993 pay raise.
- (b) An increase of \$201,000 which reflects a 2.7 percent increase in non-salary costs.
- (c) A decrease of \$261,000 which reflects a 3 percent reduction in administrative expenses from the amount made available for fiscal year 1993 adjusted for inflation.

Need for Change. To promote the efficient use of resources for administrative purposes, in keeping with the President's Executive Order, total USDA baseline outlays for these activities will be reduced by 3 percent in FY 1994, 6 percent in FY 1995, 9 percent in FY 1996 and 14 percent in FY 1997.

Nature of Change. In order to achieve this savings, REA will reduce printing and other services in order to achieve the reduction in administrative expenses which is the net of an increase for inflation and a decrease of 3 percent required by the Presidential Executive Order.

- (d) A decrease of \$10,000 for FTS 2000 funding. This decrease reflects lower long distance telecommunications prices due to price redeterminations in the FTS 2000 contracts.

FEDERAL CROP INSURANCE CORPORATION
Purpose Statement

The Federal Crop Insurance Corporation (FCIC) is a wholly-owned Government Corporation created February 16, 1938 (7 U.S.C. 1501). The program was amended by Public Law 96-365, dated September 26, 1980, to provide for nationwide expansion of a comprehensive crop insurance program. The purpose of FCIC is to promote the national welfare by improving the economic stability of agriculture through a secure system of crop insurance.

The Federal Crop Insurance Corporation is charged with providing an actuarially sound, cost-sharing insurance program for agricultural producers to protect against production losses due to unavoidable causes. The crop insurance program constitutes a joint effort between the Government and the private insurance industry, including reinsured companies and sales and service contractors.

Major Activities

The Federal Crop Insurance Program comprises the following major activities:

(1) Research and Development consists of four divisions which are responsible for the review and analysis of crop insurance programs and the establishment and maintenance of rates and coverages for crops in each county. This activity also includes the evaluation of current crop programs and policies and the development of strategies for increasing participation in the crop insurance program. (2) Reinsured Companies are private insurance companies reinsured by FCIC that market and provide full service (including loss adjustment and claims processing) on crop insurance policies and bear increasing risk on such policies. (3) Agency Sales and Service Contractors and Loss Adjustment Contractors are private companies which contract with FCIC to sell and service FCIC crop insurance policies, but do not assume any risk. This activity also includes contracting with independent claims adjusters who perform loss adjustment services for insureds holding FCIC policies sold by Sales and Service Contractors. This activity also includes all FCIC efforts directed toward development of claims adjustment procedures and quality control on the independent claims adjusters. (4) Insurance Services consists of the generation and administration of reinsurance agreements and agency sales and service contracts. This activity includes all phases of program administration, including directing Regional Service Offices and Direct Processing Centers through out the country which provide services for all program participants. (5) Program Management and Administrative Support, includes the Board of Directors, the Manager's Office, staff offices reporting directly to the Manager's Office, as well as personnel management, finance and accounting, support services, information resources management, and internal controls. Additionally, the compliance function is included in this program, providing oversight and quality control of reinsured and FCIC program service operations.

General Administration

The various crop insurance programs are formulated, implemented, and monitored by the FCIC headquarters office located in Washington, D.C., and its national operations office located in Kansas City, Missouri. The program is administered in the field through 10 Regional Service Offices, 4 Direct Service Offices, 6 Compliance Offices, and a number of Area Claim Offices. Policy sales and servicing at the local level is performed primarily by private sector agents, operating for agents of reinsured companies and Federal contractors (under Agency Sales and Service Contracts). The adjustment of losses is performed by reinsured companies for their policies and by independent loss adjusters under contract with FCIC for policies sold under Agency Sales and Service Contracts. ASCS provides some sales and service support on a reimbursable basis for the Corporation in areas where agents are not readily available.

The Agency Sales and Service Contractors process and electronically transmit to the USDA Kansas City Computer Center, all data from Federally-insured policies except

claims. The FCIC Kansas City office assists in the processing of all insurance documents (except those of the reinsured companies), record detailed accounting and statistical data, and prepares the required accounting, statistical, and management reports for business from all sources. This function is essentially automated.

The Reinsured Companies process the insurance documents, bill and collect premium, and pay losses according to stipulations within the insurance policy and the reinsurance agreement with FCIC. The companies electronically transmit to the USDA's Kansas City Computer Center, at least monthly, all data required under the reinsurance agreement in order to receive their contracted reimbursements. The FCIC Actuarial and Comptroller's Kansas City, Missouri offices assists in the processing of all insurance data, record detailed accounting and statistical data, and prepares the required accounting, statistical, and management reports for business from all sources. This function is essentially automated.

As of September 30, 1992, there were 836 total employees with 686 permanent full-time and 150 other employees. Of the total employees, 127 permanent full-time and 13 other were located in the Washington, D.C., offices.

A summary of changes in capital for fiscal year 1992, and estimates for fiscal years 1993 and 1994, follows:

	F.Y. 1992 Actual	F.Y. 1993 Estimated	F.Y. 1994 Estimated
NET CAPITAL, BEGINNING OF YEAR..	\$483,944,000	\$498,527,381	\$501,762,240
Additions to Capital:			
Appropriation (Prem. Subsidy).....	221,500,000	227,026,000	200,665,334
CCC Transfer.....	338,000,000	150,000,000	370,073,000
Appropriation (A&O Exp. Reim.)....	39,000,000	58,768,000	47,071,666
Subtotal.....	1,082,444,000	934,321,381	1,119,572,240
Income:			
Producer Premium:			
Government.....	52,216,425	43,570,922	38,831,063
Reinsurance.....	474,718,575	489,181,609	0
ASCS.....	0	14,100,622	0
MPCI (Std/Modif) GRP 1/.....	0	0	468,389,918
Total Income.....	526,935,000	546,853,153	507,220,981
Expenses:			
Government Indemnities.....	100,487,000	66,476,519	62,310,786
Reinsurance Indemnities.....	999,742,000	841,533,625	0
ASCS Indemnities.....	0	24,330,484	0
MPCI (Std/Modif) GRP 1/.....	0	0	718,117,189
Total Indemnities.....	1,100,229,000	932,340,628	780,427,975
A&O Expenses Paid by the Fund....	10,622,619	47,071,666	35,500,000
Total Expenses.....	1,110,851,619	979,412,294	815,927,975
Net Income or Loss(-).....	(583,916,619)	(432,559,141)	(308,706,994)
NET CAPITAL, END OF YEAR.....	\$498,527,381	\$501,762,240	\$810,865,246
Analysis of Capital:			
Capital Stock.....	\$500,000,000	\$500,000,000	\$500,000,000
Treasury Borrowing.....	113,000,000	113,000,000	113,000,000
CCC Transfers.....	3,088,000,000	3,238,000,000	3,608,073,000
Paid in surplus.....	39,978,470	39,978,470	39,978,470
Appropriation (premium subsidy).....	1,554,178,000	1,781,204,000	1,981,869,334
Appropriation (reimbursement of A&O expenses).....	237,771,000	296,539,000	343,610,666
Cumulative Surplus or Deficit(-).....	(5,034,400,089)	(5,466,959,230)	(5,775,666,224)
NET CAPITAL, END OF YEAR.....	\$498,527,381	\$501,762,240	\$810,865,246

1/ Multi-Peril Crop Insurance (Standard and Modified) and Area Yield Plan (GRP)

FEDERAL CROP INSURANCE CORPORATION

Available Funds and Staff-Years
1992 Actual and Estimated 1993 and 1994

	1992 Actual	:	1993 Estimated	:	1994 Estimated	
	Amount	:Staff-:	Amount	:Staff-:	Amount	:Staff-:
		Years		Years		Years
ADMINISTRATIVE AND	:	:	:	:	:	:
OPERATING EXPENSES:	:	:	:	:	:	:
A&O Appropriation....	\$332,667,347:	826	\$309,948,000:	865	\$204,847,000:	845
FCIC FUND:	:	:	:	:	:	:
Premium Subsidy.....	221,500,000:	---	227,026,000:	---	200,665,334:	---
Restoration of Prior	:	:	:	:	:	:
Year A&O Expenses	:	:	:	:	:	:
(Paid by Fund).....	39,000,000:	---	58,768,000:	---	47,071,666:	---
TOTAL, FCIC FUND.....	260,500,000:	---	285,794,000:	---	247,737,000:	---
TOTAL FCIC	:	:	:	:	:	:
APPROPRIATION.....	593,167,347:	826	595,742,000:	865	452,584,000:	845
CCC Transfers.....	338,000,000:	---	150,000,000:	---	370,073,000:	---
TOTAL, FCIC	:	:	:	:	:	:
AVAILABLE FUNDS.....	\$921,167,347:	826	\$745,742,000:	865	\$822,657,000:	845

FEDERAL CROP INSURANCE CORPORATION
Permanent Full-Time Positions by Grade and Staff-Year Summary
1992 and Estimated 1993 and 1994

GRADE	1992			1993			1994		
	HEADQUARTERS	FIELD	TOTAL	HEADQUARTERS	FIELD	TOTAL	HEADQUARTERS	FIELD	TOTAL
ES-6	1	0	1	1	0	1	1	0	1
ES-4	1	0	1	1	0	1	1	0	1
ES-3	1	0	1	1	0	1	1	0	1
ES-1	1	0	1	3	0	3	3	0	3
GS/GM-16	0	0	0	0	2	2	0	2	2
GS/GM-15	9	5	14	9	5	14	9	5	14
GS/GM-14	17	15	32	17	15	32	15	15	30
GS/GM-13	49	52	101	51	53	104	49	51	100
GS-12	55	196	251	52	198	250	50	192	242
GS-11	14	112	126	14	110	124	14	106	120
GS-10	0	1	1	0	1	1	0	1	1
GS-9	9	7	16	9	12	21	9	11	20
GS-8	10	3	13	10	3	13	10	3	13
GS-7	22	20	42	22	20	42	22	20	42
GS-6	10	7	17	10	7	17	10	7	17
GS-5	17	34	51	17	29	46	16	29	45
GS-4	8	9	17	8	9	17	8	9	17
GS-3	1	0	1	1	0	1	1	0	1
GS-2	0	0	0	0	0	0	0	0	0
Total Perm. Pos. a/	225	461	686	226	464	690	219	451	670
Total Staff-Years: Ceiling.....	276	550	826	285	580	865	278	567	845

HEADQUARTERS: Includes D.C. Headquarters Personnel and branches located in Kansas City, MO. that report to Washington, D.C. Divisions.

FIELD: Includes Direct Service Offices, Regional Service Offices, Compliance Field Offices, and offices under the Ass't Manager for Research and Development located in Kansas City, MO.

a/ The Federal Crop Insurance Act of 1980, as amended, restricts the Corporation from employing more than 760 permanent full-time employees.

FEDERAL CROP INSURANCE CORPORATION
Classification by Objects
1992 and Estimated 1993 and 1994

ADMINISTRATIVE AND OPERATING EXPENSES:	1992	1993	1994
Personnel Compensation:			
Headquarters a/	\$10,978,058	\$12,441,764	\$12,834,355
Field.....	20,317,524	23,106,134	23,835,231
11 Total Personnel Compensation.....	31,295,582	35,547,898	36,669,586
12 Personnel Benefits.....	8,963,693	8,038,270	8,425,110
13 Benefits for Former Personnel.....	78,687	169,716	71,919
Total Personnel Compensation and Benefits.....	40,337,962	43,755,884	45,166,615
Other Object Classes:			
21 Travel.....	1,728,447	2,680,645	2,371,732
22 Transportation of Things.....	2,356,515	794,676	647,084
23 Communications, Utilities, and Other Rent.....	2,943,166	4,495,362	2,889,381
24 Printing and Reproduction.....	470,945	624,397	547,849
25 Other Services.....	4,679,327	6,690,983	4,025,524
25 Other Contracts b/.....	8,171,790	12,630,000	9,225,000
25 Extension Services.....	249,598	250,000	255,000
25 ASCS Agreement.....	5,215,000	6,206,000	6,374,000
25 Reinsurance Admin. Expenses.....	242,975,000	208,325,017	128,318,000
25 ASCS Sales Overhead.....	0	5,530,000	0
25 Sales & Service Contract Expenses.....	10,464,081	2,817,000	1,529,000
25 Loss Adjustment Contracting.....	0	0	0
26 Supplies and Materials.....	963,221	3,618,687	1,247,537
31 Equipment.....	2,084,170	11,529,349	2,250,278
32 Land and Structures.....	25,000	0	0
42 Insurance Claims/Indemnities.....	2,310	0	0
43 Interest and Dividends.....	815	0	0
Total, Other Object Classes.....	282,329,385	266,192,116	159,680,385
TOTAL, DIRECT A&O OBLIGATIONS.....	<u>\$322,667,347</u>	<u>\$309,948,000</u>	<u>\$204,847,000</u>
FCIC FUND:			
25 A&O Expenses Paid from Fund.....	10,622,619	47,071,666	35,500,000
42 Indemnities:			
Government.....	100,487,000	66,476,519	62,310,786
Reinsurance.....	999,742,000	841,533,625	0
ASCS.....	0	24,330,484	0
MPCI (Std/Modif) GRP 1/.....	0	0	718,117,189
Total Indemnities.....	1,100,229,000	932,340,628	780,427,975
92 Undistributed.....	0	0	0
TOTAL, DIRECT OBLIGATIONS, FCIC FUND.....	<u>\$1,110,851,619</u>	<u>\$979,412,294</u>	<u>\$815,927,975</u>
TOTAL DIRECT OBLIGATIONS, FCIC.....	<u>\$1,433,518,966</u>	<u>\$1,289,360,294</u>	<u>\$1,020,774,975</u>
Position Data:			
Average Salary, SES Positions	\$101,707	\$99,231	\$102,450
Average Salary, GS/GM Positions	\$37,493	\$40,690	\$43,584
Average Grade, GS/GM Positions	10.7	10.8	10.8

a/ Headquarters includes all Washington, D.C. employees and Kansas City, MO employees in Support Services, Personnel, Finance, and IRMD branches.

b/ Includes ADP, Internal Management Studies, Advertising, National Finance Center, and FTS-2000.

1/ Multi-Peril Crop Insurance (Standard and Modified) and Area Yield Plan (GRP)

FEDERAL CROP INSURANCE CORPORATION

The estimates include appropriation language for this item as follows (new language underscored; deleted matter enclosed in brackets):

Administrative and Operating Expenses:

For administrative and operating expenses, as authorized by the Federal Crop Insurance Act, as amended (7 U.S.C. 1516) [\$309,948,000] \$204,847,000: Provided that not to exceed \$700 shall be available for official reception and representation expenses, as authorized by 7 U.S.C. 1506(i), and provided, that notwithstanding any provision of law, beginning with the 1994 crop year the Corporation may offer a plan of crop insurance based upon an area yield concept under which an insured would qualify for an indemnity if a loss occurred over an area, rather than on an individual insured basis, and allowing an individual insured to select the level of production at which an indemnity will be paid within the parameters established by the Corporation.

The change supports a phase-in of an area yield concept in more areas and crops, beginning with the 1994 crop year. To provide for a transition from the current insurance program to the new initiative, alternative plans of insurance will be offered. These alternative insurance plans will be adjusted over the five-year transition period so that most crops and counties will be under a county are yield plan by 1998.

FEDERAL CROP INSURANCE CORPORATION

Administrative and Operating Expenses

APPROPRIATION ACT, 1993.....	\$309,948,000
BUDGET REQUEST, 1994.....	<u>204,847,000</u>
DECREASE IN APPROPRIATION.....	<u>-105,101,000</u>

SUMMARY OF INCREASES AND DECREASES
(on basis of appropriation)

ITEM OF CHANGE:	1993 Estimated	Pay Cost	Other Changes	1994 Estimated
1. Research and Development	\$10,113,000	+\$158,000	+\$777,000	\$11,048,000
2. Reinsured Companies.....	208,325,017	0	-80,007,017	128,318,000
3. Agency Sales & Service Contracts and Loss Adjustment.....	8,346,983	0	-6,817,983	1,529,000
4. Insurance Services.....	35,914,000	+444,000	+3,246,000	39,604,000
5. Program Management and Administrative Supp...	47,249,000	+384,000	-23,285,000	24,348,000
	a/			b/
Total Appropriation.....	<u>309,948,000</u>	<u>+986,000</u>	<u>-106,087,000</u>	<u>204,847,000</u>

a/ Does not include \$47,071,666 of administrative and operating expenses paid out of the FCIC Fund.

b/ Does not include \$35,500,000 of administrative and operating expenses paid out of the FCIC Fund.

PROJECT STATEMENT
Administrative and Operating Expenses
(on basis of appropriation)

	1992 Actual		1993 (Est.)		Increase(+)	1994 (Est.)	
	Amount	SY	Amount	SY	Decrease(-)	Amount	SY
1. Research and Development..	\$9,944,513	106	\$10,113,000	115	+\$935,000	\$11,048,000	115
2. Reinsured Companies....	242,975,000	0	208,325,017	0	-80,007,017	128,318,000	0
3. Agency Sales and Service..							
Contracts and Loss Adjust..	10,464,081	0	8,346,983	0	-6,817,983	1,529,000	0
4. Insurance Services....	30,781,966	416	35,914,000	435	+3,690,000	39,604,000	415
5. Program Mgmt ment & Admin: Support.....	28,501,787	304	47,249,000	315	-22,901,000	24,348,000	315
Unobligated Balance							
Available.....	202,653	--	0	0	0		0
Total Appropriation	322,870,000	826	309,948,000	865	-105,101,000	204,847,000	845

PROJECT STATEMENT
Administrative and Operating Expenses
(on basis of available funds)

	1992 Actual		1993 (Est.)		Increase(+)	1994 (Est.)	
	Amount	SY	Amount	SY	Decrease(-)	Amount	SY
1. Research and Development:	\$9,944,513	106	\$10,113,000	115	\$935,000	\$11,048,000	115
2. Reinsured Companies	246,363,000	0	243,634,342	0	-90,099,342	153,535,000	0
3. Agency Sales and Service:							
Contrac. and Loss Adjust..	17,698,734	0	20,109,324	0	-8,297,324	11,812,000	0
4. Insurance Services..	30,781,966	416	35,914,000	435	+3,690,000	39,604,000	415
5. Prog. Management & Admin:							
Administrative Supp:	28,501,787	304	47,249,000	315	-22,901,000	24,348,000	315
Total Available or Estimate..	333,290,000	826	357,019,666	865	-116,672,666	240,347,000	845
Paid from Fund:	-10,622,653	--	-47,071,666	--	-11,571,666	-35,500,000	--
Total Appropriation:	322,667,347	826	309,948,000	865	-105,101,000	204,847,000	845

OIG REPORTS:

During Fiscal Year 1992, the Office of Inspector General (OIG) issued four major program audits and twelve individual policy audit. The following audits were reported in OIG's Semi-Annual Report to Congress as unresolved within the appropriate timeframe:

05099-11 AT	RE:	Reinsurance Operations - Mississippi.
05099-15-CH	RE:	Hybrid Seed Crop Insurance.
05099-32-TE	RE:	Claims Adjusted By Crop Hail Management for Indemnities By producers Who Received Large Payments From ASCS.
05099-39-FM	RE:	Cash management practices with reinsured companies - Phase II.
05099-51-TE	RE:	Compliance Review Program.
05600-1-TE	RE:	FCIC 1988 Crop Insurance Contracts with Claims

GAO REPORTS:

During Fiscal Year 1992, the General Accounting Office (GAO) issued two final reports, which were addressed to the Department. Federal Crop Insurance Corporation has responded to all reports and is resolving any issued recommendations. The report titles are as follows:

PMED-92-4	RE:	Crop insurance inaccurate FCIC price forecasts increase Program Risks.
RCED-92-25	RE:	Program has not fostered significant risk sharing by insurance companies.

JUSTIFICATION OF INCREASES AND DECREASES

(1) An increase of \$935,000 for Research and Development, consisting of:

- (a) An increase of \$158,000 which reflects the annualization of the fiscal year 1993 pay raise.
- (b) An increase of \$777,000 which reflects a 2.7 percent increase in non-salary costs.

Need for Change. These funds are necessary to offset increased operating costs. Continued absorption of these increased operating costs will severely affect the quality and quantity of our programs.

Nature of Change. This increase will be used to maintain a current level of services associated with inflation which will affect the critical parts of the program.

(2) A decrease of \$80,007,017 for Reinsured Companies, consisting of:

Need for Change. Currently, FCIC is reimbursing reinsured companies for the cost of program delivery at a rate of about 32.5% of total premium. The FCIC Act requires that the expense reimbursement be set at the amount it costs the Corporation to deliver its policies without regard to the amount actually necessary for the reinsurance companies to deliver the program.

Nature of Change. The proposal would also allow the FCIC to set the expense reimbursement to reinsurance companies at an amount determined by FCIC to be adequate to deliver the program.

(3) A decrease of \$6,817,983 for Agency Sales and Service Contracts and Loss Adjustments, consisting of:

Need for Change. To represent the decline in business sold through the direct delivery system.

Nature of Change. Based on prior year experience, the direct business has steadily declined and policies sold through reinsured companies has increased. Under the proposed Area-Yield plan, it is anticipated that this trend will continue with phasing out in fiscal year 1994. FCIC does not plan to enter into agreements for fiscal year 1995.

(4) An increase of \$3,690,000 for Insurance Services, consisting of:

- (a) An increase of \$444,000 which reflects the annualization of the fiscal year 1993 pay raise.
- (b) An increase of \$3,646,000 which reflects a 2.7 percent increase in non-salary costs.

Need for Change. These funds are necessary to offset increased operating costs. Continued absorption of these increased operating costs will severely affect the quality and quantity of our programs.

Nature of Change. This increase will be used to maintain a current level of services associated with inflation which will affect the critical parts of the program.

JUSTIFICATION OF INCREASES AND DECREASES

- (c) A decrease of \$400,000 and 20 FTE Staff Years.

Need for Change. FCIC, in implementing the President's Executive Order, will reduce the FTE employment in FY 1994 from the base of 865 FTE Staff Years by 2.5 percent or 20 FTE Staff Years.

Nature of Change. FCIC is decreasing costs in the field offices and headquarters by \$400,000 and 20 FTE Staff Years, resulting from the revision of Insurance Services program delivery activities adapted to the new organizational structure.

- (5) A decrease of \$22,901,000 for Program Management and Administrative Support, consisting of:

- (a) An increase of \$384,000 which reflects the annualization of the fiscal year 1993 pay raise.
- (b) An increase of \$2,769,000 which reflects a 2.7 percent in non-salary costs.

Need for Change. These funds are necessary to offset increased operating costs. Continued absorption of these increased operating costs will severely affect the quality and quantity of our programs.

Nature of Change. This increase will be used to maintain a current level of services associated with inflation which will affect the critical parts of the program.

- (c) A decrease of \$7,846,000 which reflects a 3 percent reduction in administrative expenses from the amount made available for fiscal year 1993 adjusted for inflation.
- (d) A decrease of \$33,000 for FTS 2000 funding.

This decrease reflects lower long distance telecommunications prices due to price redeterminations in the FTS 2000 contracts.

- (e) A decrease of \$18,175,000 which reflects a reduction in administrative costs for non-recurring Office Automation costs \$15,000,000 appropriated in fiscal year 1993) and a further savings of \$3,175,000 attributed to other economic measures such as reducing contract costs, equipment, and other costs.

UNITED STATES DEPARTMENT OF AGRICULTURE
FEDERAL CROP INSURANCE CORPORATION
Geographic Breakdown of Obligations and Staff Years
1992 Actual and Estimated 1993 and 1994

	1992 Actual		1993 Estimated		1994 Estimated	
	Amount	Staff-Years	Amount	Staff-Years	Amount	Staff-Years
ALABAMA.....	5,481,743	0	4,421,543	0	1,451,196	0
ARIZONA.....	1,423,948	0	1,163,723	0	472,330	0
ARKANSAS.....	2,772,329	0	2,312,129	0	832,000	0
CALIFORNIA.....	9,587,318	32	9,127,168	34	5,443,512	34
COLORADO.....	2,846,605	0	2,551,355	0	981,394	0
CONNECTICUT.....	1,306,196	0	1,246,021	0	453,098	0
DELAWARE.....	1,394,424	0	1,334,224	0	461,211	0
DISTRICT OF COLUMBIA..	44,375,586	167	47,082,564	178	46,102,935	178
FLORIDA.....	11,165,801	0	10,705,701	0	2,643,340	0
GEORGIA.....	3,287,080	12	3,227,080	12	2,177,820	12
HAWAII.....	632,596	0	572,446	0	261,298	0
IDAHO.....	4,170,235	0	3,609,985	0	648,050	0
ILLINOIS.....	6,574,161	21	5,473,911	22	2,736,955	22
INDIANA.....	4,780,621	15	3,720,371	15	1,518,418	15
IOWA.....	5,080,621	16	4,870,371	16	2,638,035	16
KANSAS.....	6,026,314	19	5,866,114	20	4,011,112	20
KENTUCKY.....	5,582,650	0	4,987,450	0	1,670,044	0
LOUISIANA.....	5,482,748	0	4,422,598	0	1,490,937	0
MAINE.....	1,304,191	0	1,243,991	0	355,945	0
MARYLAND.....	2,650,389	0	1,690,189	0	288,191	0
MASSACHUSETTS.....	1,304,191	0	1,243,991	0	355,949	0
MICHIGAN.....	2,782,499	0	2,722,249	0	881,212	0
MINNESOTA.....	11,504,782	41	11,155,692	42	6,924,664	42
MISSISSIPPI.....	6,574,161	22	6,513,911	24	4,071,966	24
MISSOURI.....	81,903,088	291	84,235,060	305	72,916,494	300
MONTANA.....	7,395,931	25	6,735,681	26	3,305,139	26
NEBRASKA.....	2,191,387	7	2,131,087	8	1,085,486	8
NEW JERSEY.....	1,306,196	0	1,125,946	0	331,299	0
NEW MEXICO.....	1,438,923	0	1,378,573	0	432,732	0
NEW YORK.....	4,210,980	0	4,150,705	0	888,363	0
NORTH CAROLINA.....	11,778,705	41	10,601,420	42	6,607,945	42
NORTH DAKOTA.....	3,834,927	13	3,774,652	14	2,138,580	14
NEVADA.....	1,306,196	0	1,245,896	0	745,896	0
OHIO.....	5,473,882	0	5,313,582	0	1,365,061	0
OKLAHOMA.....	2,191,387	7	2,031,112	7	1,609,711	7
OREGON.....	5,341,773	0	5,216,498	0	1,219,725	0
PENNSYLVANIA.....	3,561,004	11	3,305,729	11	1,804,112	11
RHODE ISLAND.....	1,305,191	0	1,244,891	0	758,364	0
SOUTH CAROLINA.....	4,382,774	13	3,822,474	14	1,676,111	14
SOUTH DAKOTA.....	1,478,286	0	1,317,986	0	764,116	0
TENNESSEE.....	4,108,851	15	4,048,551	15	2,278,642	14
TEXAS.....	11,504,782	38	10,354,482	39	6,402,974	28
UTAH.....	1,306,199	0	1,070,899	0	832,985	0
VERMONT.....	1,305,191	0	1,045,466	0	809,363	0
VIRGINIA.....	2,807,710	0	2,447,360	0	1,729,530	0
WASHINGTON.....	6,300,238	20	5,239,963	21	2,175,293	18
WEST VIRGINIA.....	1,306,196	0	1,196,196	0	898,327	0
WISCONSIN.....	5,500,697	0	4,390,697	0	2,251,854	0
WYOMING.....	1,538,320	0	1,258,320	0	947,286	0
TOTAL ADMINISTRATIVE & OPERATING EXPENSE	\$322,870,000	826	\$309,948,000	865	\$204,847,000	845

FEDERAL CROP INSURANCE CORPORATION

The estimates include appropriation language for this item as follows (new language underscored; deleted matter enclosed in brackets):

Federal Crop Insurance Fund:

For [payments as authorized by section 508(b) of] the Federal Crop Insurance Act, as amended, [~~\$285,794,000~~] \$247,737,000 of which [~~\$58,768,000~~] \$47,072,000 is to reimburse the Federal Crop Insurance Corporation Fund for agents' commission and loss adjustment obligations incurred during prior years, but not previously reimbursed, as authorized by section 516(a) of the Act, as amended: Provided, That notwithstanding any provision of the law, beginning with the 1994 crop year the Corporation may offer a plan of crop insurance based upon an area yield concept under which an insured would qualify for an indemnity if a loss occurred over an area, rather than on an individual insured basis, and allowing an individual insured to select the level of production at which an indemnity will be paid within parameters established by the Corporation.

The change is reflecting proposed language for FCIC to offer insurance on an area yield concept. This would be in addition to the current multi-peril crop insurance plan presently being offered to farmers.

FEDERAL CROP INSURANCE CORPORATION

Federal Crop Insurance Corporation Fund

1993 BUDGET	\$285,794,000
AGENCY REQUEST, 1994	<u>247,737,000</u>
CHANGE IN APPROPRIATION	<u><u>-\$38,057,000</u></u>

SUMMARY OF INCREASES AND DECREASES
(on basis of appropriation)

ITEM OF CHANGE:	1993 <u>Estimated</u>	Other <u>Changes</u>	1994 <u>Estimated</u>
1. Premium Subsidy.....	\$227,026,000	-\$26,360,666	\$200,665,334
2. Reimbursement of A&O			
Exp. Paid by Fund....	<u>58,768,000</u>	<u>-11,696,334</u>	<u>47,071,666</u>
Total Available.....	<u><u>285,794,000</u></u>	<u><u>-38,057,000</u></u>	<u><u>247,737,000</u></u>

PROJECT STATEMENT
(on basis of appropriation)

	: 1992	: 1993	: Increase	: 1994	:
	: Actual	: Estimated	: Decrease(-)	: Estimated	:
ITEM OF CHANGE:	:	:	:	(1)	:
1. Premium Subsidy :	\$221,500,000	: \$227,026,000	: -\$26,360,666	: \$200,665,334	:
2. Reimbursement of:	:	:	:	:	:
Admin. & Oper. :	:	:	:	(2)	:
Exp. Pd. by Fund:	39,000,000	: 58,768,000	: -11,696,334	: 47,071,666	:
	:	:	:	:	:
Total Appropriation:	<u>260,500,000</u>	: <u>285,794,000</u>	: <u>-38,057,000</u>	: <u>247,737,000</u>	:

PROJECT STATEMENT
FEDERAL CROP INSURANCE CORPORATION
(on basis of available funds)

	1992	1993		1994
	Actual	Estimated	Change	Estimated
Expenses:				
Indemnities:				
Reinsurance.....	\$999,742,000	\$841,533,625	-\$841,533,625	0:
Government.....	100,487,000	66,476,519	-4,165,733	\$62,310,786:
ASCS.....	0	24,330,484	-24,330,484	0:
MPCI (Std/Modif) :				
GRP 1/.....	0	0	+718,117,189	718,117,189:
Total Indemnities :	1,100,229,000	932,340,628	-151,912,653	780,427,975:
Admin. Expenses :				
Paid from Fund...	10,622,619:	47,071,666	-11,571,666:	35,500,000:
Total Expenses....:	1,110,851,619	979,412,294	-163,484,319	815,927,975:
Funds Available:				
Producer Prem....	-526,935,000	-546,853,153	+39,632,172	-507,220,981:
Unobligated Bal..:				
Start of Year :	-483,944,000	-498,527,381	-3,234,859	-501,762,240:
CCC Transfers....	-338,000,000	-150,000,000	-220,073,000	-370,073,000:
Unobligated Bal..:				
End of Year.....	498,527,381	501,762,240	309,103,006	810,865,246:
TOTAL :				
APPROPRIATION....:	260,500,000	285,794,000	-38,057,000	247,737,000:

1/ Multi-Peril Crop Insurance (Standard and Modified) and Area Yield Plan (GRP).

JUSTIFICATION OF INCREASES AND DECREASES

(1) A decrease of \$26,360,666 for Premium Subsidy.

Need for Change. The Federal Crop Insurance Act, as amended, authorizes the Corporation to subsidize producers for as much as 30 percent of the premium.

Nature of Change. The premium subsidy is estimated at twenty-five percent (25%) of the total premium or thirty-three (33%) percent of producer premium. The premium subsidy of \$200,665,334 at the rate of thirty three (33%) percent of the 1994 estimated earned producer premium of \$604,378,000 is based on the accrual accounting system.

(2) A decrease of \$11,696,334 for Reimbursement of A&O Expenses Paid by Fund.

Need for Change. In 1994, the FCIC Fund will pay \$35.5 million in delivery costs from the Fund, as allowable under current law.

Nature of Change. A decrease of \$11,696,334 represents the difference in the amount of A&O expenses paid by the FCIC Fund in 1993 and the amount paid by the FCIC Fund in 1994.

UNITED STATES DEPARTMENT OF AGRICULTURE
FEDERAL CROP INSURANCE CORPORATION
Geographic Breakdown Of Obligations And Staff-Years
1992 Actual and Estimated 1993 and 1994

	1992 Actual		1993 Estimated		1994 Estimated	
	Amount	Staff-Years	Amount	Staff-Years	Amount	Staff-Years
<u>UNDISTRIBUTED *</u>						
Federal Crop Insurance Fund:						
Reinsurance.....	\$999,742,000	0	\$841,533,625	0	0	0
Government.....	100,487,000	0	66,476,519	0	\$62,310,786	0
ASCS.....	0	0	24,330,484	0	0	0
MPCI (Std/Modif)						
GRP 1/.....	0	0	0	0	718,117,189	0
Program Expenses						
Paid by Fund.....	10,622,619	0	47,071,666	0	35,500,000	0
<u>TOTAL, FCIC FUND...</u>	<u>1,110,851,619</u>	<u>0</u>	<u>979,412,294</u>	<u>0</u>	<u>815,927,975</u>	<u>0</u>

* Due to the inability to predict the location of sales and losses, it is impractical to estimate the State cost distribution.

1/ Multi-Peril Crop Insurance (Standard and Modified) and Area Yield Plan (GRP).

